OFFICIAL REPORT

OF THE

DEBATES

OF THE

HOUSE OF COMMONS

OF THE

DOMINION OF CANADA

SIXTH SESSION—TWELFTH PARLIAMENT

6-7 GEORGE V 1916,

VOL. CXXIII

COMPRISING THE PERIOD FROM THE TWENTY-FIRST DAY OF FEBRUARY TO THE TWENTIETH DAY OF MARCH, 1916, INCLUSIVE



OTTAWA
PRINTED BY J. DE L. TACHÉ,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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House of Commons Debates

OFFICIAL REPORT—REVISED EDITION

HOUSE OF COMMONS.

Speaker: Hon. Albert Sévigny.

Monday, February 21, 1916.

The House met at Three o'clock, the Speaker in the Chair.

REPORT.

Report of the Militia Council for the year ended March 31, 1915.—Sir Sam Hughes.

DISTURBANCES AT CAMPBELLTON.

On the Orders of the Day:

Mr. MARCIL: On the 14th of February I inquired of the Prime Minister, in the absence of the Minister of Militia, as to disturbances among the soldiers at Campbellton, which I understood, from a paragraph in the Campbellton Graphic, had taken place. The right hon. the Prime Minister replied that he would have the matter looked into, and on the 16th instant the Minister of Militia said:

The hon. member for Bonaventure (Mr. Marcil) brought up a matter concerning Campbellton to which I referred yesterday. I have the facts, as stated by the officer in command, Colonel Mersereau, who says that on no occasion since the troops have been in Campbellton have there been more than four men locked up or impounded, or under supervision, in any one day, out of 290 men present. I merely add without comment that we hear all sorts of stories about the volunteers.

I have now before me a copy of the Campbellton Graphic of the 17th instant, containing an apology for the statement it made, and, as a matter of justice to the soldiers, and in the interest of fair play, I think I should read this to the House, as well as a letter from the Mayor of Campbellton on the subject. Campbellton has done very well in recruiting; several hundred men have enlisted, not only from Restigouche, but from the adjoining counties of Gaspé and Bonaventure, and practically every parish has supplied men.

The apology in the Campbellton Graphic reads:

We wish to apologize to the large majority of the members of "A" Company of the 132nd Battalion for a statement which appeared in our columns last week. This was to the effect that over twenty members of the Company had been lodged in the guard room for disorderly conduct. We may state that the information was given us, and was general about town at that time.

We are glad to learn from Capt. McKay that only four men were in the guard room at one time and these were the ones which made all the trouble. The members of "A" Company as a whole, are considered a fine lot of boys, but as we stated last week, there are always a few who forget themselves. We are glad to know that the number was less than reported, and cheerfully make this correction. We hope "A" Company will keep up its good reputation of being the best soldiers in the Battalion, and that the unruly ones will be shown that it is an insult to the whole company to create such disturbances. It is also the duty of the sober boys to give every assistance to the officers and police in bringing to justice the parties who are supplying the soldiers with liquor.

The letter from the Mayor of Campbellton reads:

Campbellton, N.B.,
February 16th, 1916.

Hon. Charles Marcil,
Ottawa, Ont.

Dear Sir: The St. John Telegraph of the 15th instant quotes you as having made the statement that you were informed that some twenty-five soldiers in Campbellton, N.B., had caused a disturbance similar to that in Calgary.

It affords me considerable pleasure to be able to inform you that there is absolutely no truth in that statement. At no time since the 132nd Battalion began to recruit have there been any disturbances of any nature whatsoever, and to say that there has been rioting or other similar disturbances is an utter absurdity and a grave injustice to the young men whom we all should honour.

The members of "A" Company of the 132nd Battalion are as orderly a body of men as you will find in any barracks in Canada, and Campbellton is proud of them.

I trust, therefore, that in all fairness to these young men, you will, on the floor of the House, inform the members that you were mis-informed in regard to the soldiers in Campbellton, and that there is no truth in the report to which you gave publicity on the above mentioned occasion.

Thanking you in anticipation of a compliance with my request, and trusting that I may have the pleasure of reading in the papers that you have righted a wrong which you had unwittingly done, I am,

Yours very truly,
A. A. Andrews, Mayor.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Bill No. 15, respecting the Pacific Northern and Omineca Railway Company—Mr. Green—in Committee.

On section 1—time for commencement and completion:

Mr. PUGSLEY: The time for the commencement of construction and for completion seem to be one and the same—the company may begin the construction and complete the road in five years. I do not recall having seen such a provision in any railway Bill before. Is there a special reason for this peculiar provision?

Mr. GREEN: This is simply the renewal of a charter granted last session.

Mr. PUGSLEY: Then there is no need of this Bill, for if the Bill of last session granted five years, the company has still four years of unexpired time.

Mr. GREEN: If there is any question on the part of the hon. member, I see no reason why it should not be changed. I move that the Bill be amended to provide that construction shall begin in two years and the road completed in five years.

Bill stands.

Bill No. 4, respecting the Canadian Northern Railway Company—Mr. Bradbury—in Committee.

Mr. BRADBURY: This is simply an extension of time in relation to a charter granted to build a piece of road between lake Winnipeg and lake Manitoba from Grosse Ile to Grand Rapids. The Canadian Northern is the successor to an amalgamation of companies.

Mr. PUGSLEY: What is the object of the road?

Mr. BRADBURY: To give railway accommodation to the people at the head of lake Winnipeg. We have wanted it for years and we want it badly now. A part of the road was built—the Grosse Ile part—and this is an extension.

Mr. PUGSLEY: Does this road go up by Crooked lake where the lumber mills are?

Mr. BRADBURY: No, there is no Crooked lake on this line. It runs from Grosse Ile between lake Winnipeg and lake Manitoba, in a northerly direction to the head of the lake. It touches lake Winnipeg at Sturgeon bay, about half-way between Grosse Ile and the head of the lake.

Bill reported.

Bill No. 5, respecting the Canadian Northern Ontario Railway Company—Mr. Northrup—in Committee.

On section 3—limitation:

Mr. PUGSLEY: Can the promoter of this Bill state whether these lines come under the general security held by the Government?

Mr. MORPHY: I think this matter was mentioned in committee and an answer given in the affirmative by the persons promoting the Bill.

Mr. PUGSLEY: I think it ought to be provided in the Bill itself that these lines, when constructed, should be included in and covered by the securities which the Government holds. A mere verbal understanding would not accomplish that; it would have to be done by express legislation. I understand that the chairman of the committee is not present; perhaps the Bill had better stand in order that the matter may be considered.

Section stands.

Bill stands.

Bill No. 11, respecting the British American Nickel Corporation, Limited—Mr. Northrup—in Committee.

Mr. MACDONALD: The question of nickel is a matter which is discussed very frequently in the country. I should like to know what corporation this is, where it operates, and by whom it is controlled. Is it a Canadian corporation, operating with Canadian capital?

Mr. NORTHRUP: This is a company which has been in operation for years. The Bill merely gives it the right to have twenty directors, and provides that the majority of the directors shall be British subjects, and that they may appoint an

executive committee. If the hon. gentleman wishes any further information, we had better let the Bill stand. I will give him full particulars later.

Mr. MURPHY: Is the company incorporated by statute, or by letters patent?

Mr. NORTHRUP: I cannot tell my hon. friend that.

Mr. MURPHY: Let it stand.

Bill stands.

The following Bills were considered in Committee and reported, without discussion:

Bill No. 3, respecting the Burrard Inlet Tunnel and Bridge Company.—Mr. Stevens.

Bill No. 7, respecting the Farnham and Granby Railway Company of Canada.—Mr. Douglas.

Bill No. 14, respecting the Central Western Canada Railway Company.—Mr. Green.

Bill No. 16, respecting the Quebec, Montreal and Southern Railway Company.—Mr. Lemieux.

SECOND READINGS.

Mr. COCKSHUTT moved the second reading of Bill No. 26, respecting the corporation of the city of Brantford. He said: This Bill seeks to transfer to the corporation of the city of Brantford, under commission, rights granted by this Parliament to the Grand Valley Railway Company in the following statutes: 1900, chap. 73; 1902, chap. 91; 1906, chap. 102; 1907, chap. 90. The facts are that the Grand Valley Railway Company, which operated the street railway of the city of Brantford, and the radial railway extending to Paris and Galt, went into liquidation and the railway was sold under the hammer. The city of Brantford acquired its own street railway and the adjunct just outside the city, and it has been operating it for the past twelve months under license. It is now sought to transfer to the commission, to be elected in the manner set forth in the schedule, the rights granted by this Parliament to the Grand Valley Railway Company.

Mr. PUGSLEY: For some years the Ontario Government has been continuously represented before committees of this House contending that Parliament had no right to interfere with the operation of purely local railways. I should like to know whether any such point has been raised on behalf of the Ontario Government in respect of this line, which is essentially a local line, as I understand—simply a street railway having connection with one or two adjoining towns. Not even by the highest flight of imagination can it be supposed to be a work for the general advantage of Canada.

Mr. COCKSHUTT: The line has already been declared a work for the general advantage of Canada in the Acts I have enumerated. No question has been raised of any infringement of provincial rights, and I cannot see how one could be raised, because this is an old charter given by this Parliament long before the Ontario Government took that stand. We are now asked simply to confer on the commission powers that have been vested in a railway board, subject to the Railway Commission.

Mr. PUGSLEY: I understand that the city of Brantford is not proposing to operate under the old Grand Valley charter, but has acquired the property itself, as it might acquire any other property; and it owns that property and also owns what is known as the Brantford Street railway. I assume from what my hon. friend says that it would be proper for the city of Brantford to go to the Provincial Legislature to get authority to operate this purely local railway. We in this Parliament ought to have some rule which would guide us in respect to all these matters. I doubt very much if this Parliament has authority to confer upon the city of Brantford the right to operate the street railway. I think that right should be granted by the Provincial Legislature. But if the Government of Ontario has not raised any question I do not see why I should press the matter.

Sir ROBERT BORDEN: I suppose that, whether the Ontario Government has any objection or not, we ought to be careful not to exceed our jurisdiction. The point of view put forward by the hon. member for Brantford (Mr. Cockshutt), as I understand it, is this: that, inasmuch as those undertakings have been declared by the Parliament of Canada to be works for the general advantage of Canada, they are therefore subject to the jurisdiction of this Parliament, and that Parliament has exercised its jurisdiction accordingly. He puts forward the view, and the Bill puts forward the view, that if the city of Brantford wishes to obtain power to operate those street railways, so declared to be works for the general advantage of Canada, it must come to this Parliament. I should think it proper, under the circumstances, that

the Bill be given the second reading, and that the committee to which it is referred should examine the question of jurisdiction, and ascertain the opinion of the Department of Justice with regard to the jurisdiction of Parliament, which might be reported to this House. I agree with the suggestion of my hon. friend from St. John (Mr. Pugsley) that notice should be given to the Attorney General of the province of Ontario in order that he might come before the committee and urge the objections, if any, which the Government of the province might offer to any action on the part of this Parliament in respect to the matter.

Mr. NESBITT: Just to clear this matter up, may I ask the hon. member for Brantford if the Grand Valley railway was chartered by the Dominion, or was the Brantford Street railway chartered by the Dominion?

Mr. COCKSHUTT: The Grand Valley railway was chartered by the Dominion, and the company acquired the street railway as well as the radials, taking over the running powers as well as the construction.

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

Mr. MORPHY moved the second reading of Bill No. 31, to incorporate the Eastern Canadian Union Conference Corporation of Seventh Day Adventists. He said: The Bill is more or less like the ordinary Bill to incorporate, by way of a merger, several branches of a religious denomination, under the name of the Eastern Canadian Union Conference Corporation of Seventh Day Adventists. The parties who are to be the heads of the corporation are named in Section 1, and the corporation itself is for the purpose, not only of constituting the branches of this particular religious denomination into one consolidated body, but of giving them the usual power of holding lands and disposing of them.

4 p.m.

Motion agreed to, and Bill read the second time.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

REVENUE FROM SPECIAL TAXES.

Mr. A. K. MACLEAN:

1. What was the revenue for the present fiscal year to January 31, 1916, from special taxes?

[Sir Robert Borden.]

2. What was the revenue received for the same period from stamps, proprietary drugs and from liquors, respectively?

3. And from all other sources exclusive of the ordinary postal revenues?

Mr. BLONDIN:

1. Customs: from additional customs duties (war tax), $19,466,035.65.

Finance: from tax on circulation of chartered banks, under Section 3 of the Special War Revenue Act, 1915, $1,028,707.28; from tax on income of trust and loan companies, under Section 4 of the Special War Revenue Act, 1915, to February 11, 1915, $258,973.40; from tax on insurance companies, under Section 5 of the Special War Revenue Act, 1915, $352,423.39; total, $1,640,104.07.

Inland revenue: $1,166,156.09.

2. Inland revenue: proprietary medicines, $223,038.60; war tax (estimated), $56,076.30; total, $279,114.90. Liquors, $6,115,412.29; war tax (estimated), $266,163.29; total, $6,381,575.58.

Inland revenue: stamps, $617,096.85; railroads, steamships, embossed cheques, $549,059.24.

3. Customs: customs duties, not including war tax, duties on drugs or liquors, $56,003,500.43; customs storage charges, $7,292.88; proceeds from sales of unclaimed goods, $3,259.96; seizures, $217,028(60; casual revenue, $1,364.22; total, $56,232,-446.09.

CIVIL SERVICE APPOINTMENTS.

Mr. SINCLAIR:

How many appointments of civil servants have been made by the present Administration under the provisions of section 21 of the Civil Service Act?

Mr. BLONDIN:

	Competition	Without Competition.
Agriculture	3	29
Commission of Conservation	..	5
External Affairs	..	1
Governor General's Secretary	..	1
House of Commons	21	2
Indian Affairs	..	3
Interior	15	11
Inland Revenue	1	17
Justice	..	12
Labour	..	1
Library of Parliament	1	..
Mines	18	13
Marine and Fisheries	2	4
Militia and Defence	..	9
Naval Service	4	2
Post Office	1	5
Privy Council	..	1
Public Works	13	28
Printing and Stationery	..	1
Railways and Canals	2	2
R.N.W.M. Police	..	1
Senate	..	1
Secretary of State	1	7
Trade and Commerce	..	3
	82	159

It will be seen from the above statement that eighty-two of these appointments were made after the position had been thrown open to public competition. It was found necessary, however, to resort to Section 21 in order to make the appointment by reason of the successful candidate being over age or not resident in Canada for the required period of three years.

MEMBERS OF PARLIAMENT IN MILITARY SERVICE.

*Mr. J. J. HUGHES:

Do the members of the House of Commons and the Senate, who are officers of the volunteer forces, draw their pay as officers and their indemnity as members of Parliament at the same time?

Sir SAM HUGHES: Members of Parliament, the same as all other citizens, on appointment as officers of the Canadian Expeditionary Forces, are entitled to the pay and allowances of their rank. Many of them do not draw pay, and others contribute it to the various Patriotic and Red Cross funds, but all that is according to their personal wishes.

CANADIAN OFFICERS IN ENGLAND.

Mr. CARVELL:

1. How many officers are there in England to-day at Shorncliffe, Bramshott and other camps where the Canadians are located, and who are drawing pay from the Canadian Government, but are not attached to any regiment, battalion, battery, or other branch of the service?

2. How much did the Government pay for the use of land on which the camp at Vernon was located this summer?

3. To whom was the money paid?

Sir SAM HUGHES:

1. All officers of the Canadian Expeditionary Force serving in England either belong to a unit of the Canadian Expeditionary Force or are attached thereto.

2. Nothing.

3. Answered by No. 2.

MAX LASOSKI.

Mr. DEMERS:

1. Has the Immigration Department at Quebec had a German named Max Lasoski in its employ?

2. If so, is he still in the employ of the Government, or has he been transferred elsewhere in Canada?

3. What was his salary, and does he still receive such salary in full or in part?

4. Has the department received complaints that the said Max Lasoski took photographs of the port of Quebec, and of the vessels that carried soldiers across the ocean?

Mr. ROCHE: Max Von Laszewski, born in Germany and naturalized in Canada in 1896, entered the service of the Immigration Branch at Quebec as an interpreter on April 30, 1911, at a salary of $700 per annum, which was increased to $900 per annum from November 15, 1912. On September 14, 1915, he was allowed to return to his home at Moose Creek, Ontario, upon the understanding that from September 1, 1915, and until he was again on active duty his pay would be $50 per month. On February 10, 1916, he was notified that owing to the necessity of curtailing expenditure his services would be discontinued from February 28, 1916.

MRS. BERLINGTON HAM.

Mr. DEMERS:

1. Is there a lady named Mrs. Berlington Ham employed at Quebec, as an Immigration Agent?

2. If so, what are her duties, and has she anything to do with the civil inspection of immigrants?

3. Has the Minister of the Interior received any complaints regarding the said Mrs. Berlington Ham?

Mr. ROCHE:

1 and 2. Mrs. Berlington Ham is national ports secretary of the Young Women's Christian Association of Canada, but is not an employee of the Government, and has nothing to do with the civil inspection of immigrants.

No. 3. No.

LIEUT-COL. SABOURIN.

Mr. MICHAUD:

Is N. A. Sabourin, M.D., of St. Johns, Quebec, an officer on full pay of His Majesty's Army? If so, what is the amount of his pay?

Sir SAM HUGHES:

Lieut.-Colonel Sabourin has been detailed for duty at the Military hospital, St. Johns, Que., with the pay of his rank in the Active Militia, i.e., $5 per diem.

MR. DE WITT FOSTER.

Mr. LANCTOT:

1. Is Mr. A. De Witt Foster, former member for Kings, N.S., employed by the Government or by this Parliament in any capacity?

2. Does he enjoy any privileges in the present Parliament building, and has he a box in the Parliamentary post office?

3. By whom was he recommended to be allowed access to the Parliament building?

Sir ROBERT BORDEN: The answer to the first question is no. The answer to the others is that Mr. Foster enjoys the same privileges as any other citizen of Canada who is not a member of Parliament. He has no box in the parliamentary post office.

MR. J. E. LAREAU.

*Mr. L. J. GAUTHIER:

1. Is there a person named J. E. Lareau employed by the Government as purchaser or inspector of hay at Montreal?
2. If so, since what date, and what is his salary?

Mr. HAZEN: There is no person of the name of J. E. Lareau in the employment of the Government as inspector of hay at Montreal. There is a person of that name employed by the British Government as inspector at Montreal.

PURCHASE OF SS. HOCHELAGA.

Mr. MACDONALD:

1. From whom was the steamer Hochelaga bought by the Government?
2. How much was paid for her?
3. How much was spent on improvements?
4. When was she purchased?
5. How long has she been laid up since her purchase?

Mr. HAZEN:

1. Dropped.
2. $70,000.
3. $22,642.18.
4. 31st July, 1915.
5. The fitting out took 18 days. The vessel was in service all fall; not being required during the winter months she was laid up in Halifax on 20th December, 1915.

WAR SUPPLIES—HORSES FOR FRENCH GOVERNMENT.

*Mr. J. J. HUGHES:

1. Where is the French Government purchasing horses in Canada?
2. What are the names and addresses of the parties representing the French Government in this matter?

Sir ROBERT BORDEN: We are endeavouring to procure this information. I understand that the Hudson Bay Company have purchased some supplies for the French Government, but I am not quite sure as to the nature and extent of these. The officer connected with the purchase of horses, who was recently in Ottawa, is absent at the present time; but the information will be procured as soon as possible.

REMOUNTS FOR CANADIAN FORCES.

*Mr. SINCLAIR:

With reference to the statement made by the Prime Minister on February 14, inst., unrevised Hansard, page 795, referring to the purchase of remounts, why does not the Canadian Government purchase in Canada such horses as are required for the use of the Canadian Forces?

Sir ROBERT BORDEN: As already explained to the House, the Canadian Government made an arrangement by which the British Government should purchase all horses required in the future for the Canadian forces, as well as for the British forces. Up to the time that this arrangement was made the Government of Canada had purchased in this country more horses than were required for the Canadian Expeditionary Forces. The horses in excess of those actually required up to that time were handed over to the British Government under the arrangement already explained to the House, and these will be accounted for by the British Government. The arrangement already made, and to which allusion has been made in the House, provides that the British Government shall in future purchase horses for the Canadian Expeditionary Forces as well as for the British forces. In addition to that, however, there will be required in Canada from time to time, for the training of our artillery and for other purposes, a certain number of horses which are not included in this arrangement, and these will be purchased by the Canadian Government. Furthermore, it is understood between the British Government and the Canadian Government that, in respect to future purchases, the British Government will purchase in Canada at least as many horses as may in the future be required for the Canadian Expeditionary Forces. Looking to the necessities of the British Government in that regard, I have no doubt that a very much larger number of horses will be purchased in the future by the British Government than would be required to be purchased by the Canadian Government under the arrangement which was carried out during the first year of the war.

OPEN SEASON FOR LOBSTERS.

Mr. MACDONALD:

1. What is the the date of the open season for lobsters in Northumberland straits, between Cape George and Malagash?
2. Why is the season shorter in this particular district than in the district to the west of it?
3. Have any requests or petitions been received asking for the lengthening of the season?
4. Has any action been taken in regard to these requests?

Mr. HAZEN:

1. April 26 to June 25, both days inclusive.
2. This season applies as far west as River Philip.
3. Yes, one such petition was received over a year ago.
4. The petition was carefully considered; but as the existing fishing season was that recommended by the Atlantic Committee

of the Advisory Board, after consideration of the report and recommendations of the Shellfish Commission of 1912-1913, it was not regarded as desirable to make the change asked for.

POTATO INSPECTORS.

Mr. BOULAY:

1. Has the Government appointed any potato inspectors since 1911? If so, how many?

2. What are their names, their places of residence, and the salary paid to each of them?

Mr. HAZEN:

1. Yes; 28.

2. Not now in the employ.

Assistant Inspectors and Residence—	Salary per month.
Herbert Anderson, Lakeville, N.B.	$ 60
J. C. Christian, Hartland, N.B.	60
C. B. Drake, Aroostock Jct. N.B.	60
W. M. Fleming, Woodstock, N.B.	60
W. H. Gaunce, Upper Kent, N.B.	60
W. W. Johnston, Andover, N.B.	60
W. Smith, Florenceville, N.B.	60
Wm. Stevens, Hartland, N.B.	60
Inspectors:	
T. A. Beauchamp, Ottawa, Ont.	$ 75
A. E. Hopper, Ottawa, Ont.	75
U. H. Seguin, Ottawa, Ont.	75
Lorne I. Johnson, Ottawa, Ont.	75
F. W. Forde, Ottawa, Ont.	100
A. T. Tardif, Ottawa, Ont.	100
M. H. Jenkins, Ottawa, Ont.	100
J. S. Dash, Ste-Anne de Bellevue, Qué.	100
H. H. Selwyn, Kirks Ferry, Que.	100
L. P. Lavoie, St. Paschal, Que.	100
Herbert Groh, Preston, Ont.	100
On leave of absence for Active Military Service:	
Inspectors:	
D. E. Lothian, Ste. Anne de Bellevue Que.	$100
Hugh H. Lindsay, Guelph, Ont.	100
Rolf Holmden, Ottawa, Ont.	100
At present in the employ:	
Inspectors:	
J. R. Brownlee, Ottawa	100
P. R. Cowan, Ottawa	100
W. O. Johnston, Ottawa	100
Geo. Partridge, Ottawa	100
Sydney G. Peppin, Ottawa	100
R. Trepanier, Ottawa	75

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Boulay.—For a return showing the number of soldiers of English origin and the number of French origin in the Patricia Regiment; how many soldiers of English origin were comprised in the first contingent, and of the number, how many were of Canadian birth; how many soldiers of French origin there were in that contingent, and how many in the Patricia Regiment.

Mr. Verville.—For a return showing how many persons have been employed by the Department of Militia since the beginning of the war in the examining, appraising or testing of materials, such as clothing, harness, etc., purchased for military purposes; and how many of such employees are practical trades people, experts, or otherwise experienced persons in the respective callings connected with the various materials so purchased.

Mr. Lemieux.—For a copy of all letters, telegrams, memos, Orders in Council, reports, and of all and every document concerning the construction of the dam at Grand'Mère, county of Champlain, province of Quebec, by the Laurentide Co., Limited.

Mr. W. M. Martin.—For a return showing the amounts of money paid by all departments of the Government to the Regina Province and Standard, the Moosejaw News, and the Saskatoon Star, respectively, in each of the years 1914 and 1915.

Mr. W. M. Martin.—For a return showing the different rural mail routes in the constituency of Regina, their location and date of establishment and all rural routes under consideration at the present time in said constituency.

Mr. Macdonald.—For a copy of all letters, papers, telegrams and other documents relating to the survey in the harbour of Pictou, for a proposed new bridge, by the Railway Department, and also a statement showing the amounts paid in connection with said survey, the names of the persons to whom paid, and the purposes for which they were paid.

Mr. Macdonald.—For a copy of all papers, agreements, letters, telegrams and other documents relating to the proposal to purchase, lease, or use of, the railway known as the Vale railway, county of Pictou, and to the operation of the same by the Railway Department.

Mr. Gauvreau.—For a copy of all letters and correspondence between A. Bellemare, Esq., M.P., and the Government or any member thereof in connection with the construction of the post office at Louisville.

Mr. Lanctot.—For a return showing the amounts spent for the furnishing of the office of the Hon. E. Patenaude, Minister of Inland Revenue; with a copy of all invoices. And also a statement of the amounts spent for the furnishing of the office of Hon. W. B. Nantel, when Minister of Inland Revenue; with a copy of all invoices.

Mr. Lemieux.—For a detailed statement of all the wrecks which have taken place on the St. Lawrence River from 1867 until 1916, inclusive.

Mr. Macdonald.—For a copy of all letters, telegrams, investigations and reports relating to the dismissal of Joseph Fleming, conductor Intercolonial railway, and in regard to his reinstatement.

Mr. Kyte.—For a return showing the names of all corporations, firms and individuals who tendered or offered to supply clothing to the Department of Militia and Defence since the 1st day of August, 1914, and the prices submitted by each.

2. The names of all corporations, firms and individuals to whom contracts were awarded, together with quantities and prices, and a copy of all such contracts.

3. Also a copy of all correspondence with corporations, firms and individuals seeking such contracts.

4. And a copy of all complaints against the quality and character of the clothing supplied.

Mr. Lemieux.—For a detailed statement of all war orders obtained by the Daminion Steel Corporation of Sydney, Nova Scotia.

Mr. Fortier.—For a copy of the war orders given to the Montreal Street Railway Company.

Mr. Verville.—For a copy of all correspondence and telegrams exchanged between the Labour Department and the working men at Thetford mines prior, during, or after the last strike in that vicinity, and of all other papers relating thereto.

Mr. Gauvreau.—For a copy of a petition from the citizens of Louisville, requesting that L. F. Sanfaçon be not dismissed from his position of postmaster of that town; also of all letters sent by A. Bellemare, M.P., in connection with the dismissal of said L. F. Sanfaçon and asking for such dismissal; and of all letters from the same A. Bellemare, M.P., recommending Chas. Ed. Lasage as postmaster in the place of the said L. F. Sanfaçon.

PICTOU-PRINCE EDWARD ISLAND STEAMERS—HANDLING OF FREIGHT.

Mr. E. M. MACDONALD (Pictou) moved:

For a copy of all tenders, offers, letters, telegrams and other documents relating to the arrangements for the handling of freight and coal at Pictou, in connection with the boats engaged in the winter service between Pictou and Prince Edward Island during the year 1914-1915, and during the present season.

He said: I am making this motion for the purpose of bringing to the attention of the House certain circumstances in connection with the handling of freight on the Government steamers which ply in winter between Prince Edward Island and Pictou. I bring this matter up on behalf of the organized labourers' union known as the International Longshoremen's Association of Pictou, local No. 894. Hon. members are probably aware that during the winter season communication is maintained between Nova Scotia and Prince Edward Island solely and only by means of certain boats which are controlled by the Government of Canada and which operate between Pictou and Charlottetown and Georgetown. All the freight which passes between Nova Scotia and Prince Edward Island has to pass over that route, and the boats utilized in connection with this service have to be supplied daily with coal. This service naturally involves the employment of a large number of men, and in the city of Charlottetown for some years past the men who have been engaged in attending to this work have been members of a longshoremen's union, and a contract or arrangement, as I am instructed, exists between the Government and this union in the city of Charlottetown in regard to the handling of freight and coal. In Pictou the system has not been the same; there the question of patronage is involved, and last year great dissatisfaction was occasioned locally among the longshoremen owing to the way in which the work was handled by the person who got the contract from the Minister of Marine and Fisheries. During the past summer an immense quantity of lumber was shipped from Pictou to Great Britain, and there was also a large traffic in war material coming and going from the Nova Scotia Steel Company, and other industries. As a consequence there was organized this union to which I have referred, which dealt with and handled all lumber shipped from Pictou and, in addition, engaged in the shipment and handling of the war material coming from these large industries. This union, in October, 1915, sent, through its secretary and business agent, the following letter to the Deputy Minister of Marine and Fisheries:

Dear Sir,—On behalf of the International Longshoremens' Association of Pictou, Local No. 894, as their secretary, I desire to ask the department to arrange to give us the work of handling the freight and coal which is placed upon the winter boats at Pictou by the Government steamers. The men comprising the union include practically all the freight handlers in Pictou. We are willing to undertake to discharge and load freight on the steamer Minto for forty-five cents a ton. We are also willing to undertake to discharge and load freight on the steamer Stanley for forty-five cents a ton. We should be willing to undertake this work at the beginning of the winter season and to continue during all the time that the winter boats are in operation. We understand that in Charlottetown, the work of dealing with these boats is performed by another local of our order, and we feel that we are entitled to the same consideration here. We will be obliged for a favourable consideration of our request and a reply at an early date.

(Sgd.) Joseph Veniot,
Secretary and Business Agent I.L.A.,
Local No. 894.

As I am informed, no reply was received from the department to this offer, and the matter drifted along until the eve of the inauguaration of the winter service, when it was rumoured that the contractor who had handled the service in the winter of 1914-15 was to receive the contract. A little later on it was announced that the work was to be done by a combination of three men who had formed themselves into a combination for that purpose. Now, we have heard of the curious combination of the butcher, the baker, and the candlestick-maker; but this combination, which was formed as a matter of pure politics in order to prevent this union from dealing with the freight in Pictou, was equally grotesque, because the men to whom the contract was

given had never in their lives had anything to do with the handling of freight of any kind, or with any work of that description. One man made his living by pressing clothes in the town. The second man was engaged in the making of monuments. The third man was a mason who did not work in the district at all, but who had been working for quite a number of years in the town of Sydney. These three men formed a company, and in some way the Department of Marine and Fisheries gave them the task of handling this freight and coal in the town of Pictou. No tenders were called for, and no attention was paid to the Longshoremen's union, which had formally made an offer to the department. The secretary of the Longshoremen's union, on hearing that these three men were to do the work, telegraphed to the Department of Marine and Fisheries offering to handle the work at five cents a ton less than their original offer. For a day or two it was uncertain what was to be done in regard to the matter, and then the Conservative candidate who has the patronage in my county called up the secretary of the union and arranged for an interview with him for the purpose of discussing the matter. It was rumoured among the labour men that they would be offered this work, and to be paid five cents a ton less for the freight and the coal than they themselves had offered to do the work for. These five cents per ton were to go to the trio I have mentioned. The appointment was never kept with the labour union, and when the boats went into operation these three gentlemen, who had never had anything to do with the handling of freight, took charge of the task. The new boat, Prince Edward Island, came and she was delayed several days in connection with the handling of freight. These three contractors were unable to get workmen in town so they went out into the highways and byways and brought men in. I submit that where you have organized labour in connection with such work as that of longshoremen, an association made up of men of both political parties, and where these men have given satisfaction to the community, they are entitled to consideration and to be asked at least whether or not they would make some lower offer in the matter. But nothing of the kind was done, as I am instructed. For no other reason than that the local political dignitaries supporting the Government in that riding wanted to oblige three of their men, this labour union was ignored; and consequently a large number of men, simply because they are labour unionists, are walking the streets and have no work to do, while men, not resident in the town, and boys are engaged in the work, taking the places of men who could work ten times as effectively because this is work in their own calling.

These are the facts, and I trust that the minister will see to it that the wrong that has been done is righted. I appeal to him whether it is either good business or good policy to absolutely ignore organized labour under the conditions I have mentioned. I am in a position to say that this union comprises practically every able-bodied man in the community who is capable as a freight handler. It is associated with the general organization of longshoremen throughout the country. There is no possible reason that I can see why they should not be recognized when they were willing to do the work at as low a figure as it could be done at, and as low as the figure at which it was given to these three contractors.

Hon. J. D. HAZEN (Minister of Marine and Fisheries: There can be no objection whatever to bringing down the papers moved for by my hon. friend from Pictou (Mr. Macdonald). The system of loading the boats at Pictou, adopted this winter is practically the same, I understand, as that followed for many years past under different governments. Previous to the year 1912-13 the coal and freight handled by the winter steamers on the Pictou-Charlottetown route was attended to by day labour employed by the agent of the department. For the year 1912-13 a contract was entered into between the department and Messrs. John K. Murdoch and Harry Shultz for handling freight and coal. The terms of the contract were that the department was to pay 50 cents per ton for freight and baggage, and 60 cents per ton for placing bunker coal on board the vessels. For the year 1913-14 the contract was renewed with the same contractors and for the same figures. For the next year, 1914-15, a contract was entered into with David A. Morrison for handling freight and baggage on the Minto and the Stanley for 50 cents per ton, while bunker coal was to be placed on the Minto for 60 cents per ton and on the Stanley for 75 cents per ton. The contract for the two previous years applied to the Earl Grey and the Minto. The Earl

Grey was taken off the route, having been sold to the Government of Russia, and she was replaced on the Charlottetown-Pictou route by the Stanley. The facilities for bunkering on the Stanley were less adequate than those on the Earl Grey and the Minto, and consequently it was necessary to pay a larger figure. The Minto having been sold to the Russian Government, before winter navigation last season commenced, her place was taken by the Prince Edward Island, the steam ferry that will run between Cape Tormentine and Cape Traverse. Under arrangement with the Railways and Canals Department this vessel is being operated by the Marine and Fisheries Department for the present season. Last fall a contract was entered into with Messrs. W. T. Gilchrist, Hugh A. MacMillan and Z. Cook, for handling freight and baggage on the Stanley and the Prince Edward Island for 45 cents per ton, while bunker coal was to be placed on the Stanley for 55 cents a ton and on the Prince Edward Island at 70 cents a ton, which figures out at 62½ cents as against 67½ cents paid in previous years. So, my hon. friend will say that so far as prices are concerned a lower price is being paid this year than last year or the year before both for baggage and freight and for bunker coal.

In October of last year, an application was received from Mr. Joseph Benoit, Secretary of the International Longshoremen's Association of Pictou, to be awarded the contract of handling freight and coal at Pictou during the present season. That, I think, was the first intimation that the department had that an international union had been organized in Pictou. My hon. friend has stated that a letter addressed to the Deputy Minister had been left without reply. The Deputy Minister is most punctual in attending to correspondence, and my own instructions are that all letters are to be answered as promptly as possible. So, if my hon. friend is correctly informed, there must have been some accident, misunderstanding, or oversight. When this offer was received, it was felt that as the association had only been organized and the department had no positive information as to its ability to successfully carry out the work, it might be better for the present season that the arrangement to which I have referred should be completed, especially in view of the fact that the contract prices were, as I have pointed out, lower than during the two previous years, and were reported on by the officers of the department as being reasonable in every respect. My hon. friend has suggested that the work has not been successfully carried out by these contractors. But the information which he has received is not in keeping with that which we have received. Complaint was received at the department, subsequent to the commencement of the winter service, that freight was not being promptly handled at Pictou by the contractors. This complaint was investigated and it was ascertained that there was nothing to justify it. My information from the officials of the department, I think, is correct, that freight and coal at Pictou this winter are being handled with the usual promptness, as it is at Charlottetown, where the work is performed by the Longshoremen's Association. My sympathies are entirely with an organization such as the Longshoremen's Association, organized for the purpose of doing business. We employ the Longshoremen's Association at Charlottetown and get good results, and if this business continues another year, I can assure my hon. friend we will give every possible consideration to the claims and qualifications of the Longshoremen's Association for the handling of the work required to be done at the port of Pictou. It is possible that next year there will be very little work, if any, at Pictou for these ships if the car ferry is completed and necessary docks built and railway connections established so that there will be crossing between Cape Tormentine and Cape Traverse. I assure my hon. friend, however, that if there is any business in this line, the matter will receive every consideration at our hands. The Longshoremen's union is a worthy organization, and I hope it will continue to be very successful.

Mr. HUGHES: I have just come into the Chamber, but I know the purport of this discussion. I heard the minister say that he did not think present conditions would continue very long. It is anticipated, I know, that the car ferry will be in operation within a reasonable time, but I suppose the piers will not be ready by the opening of navigation this year.

Mr. HAZEN: We are speaking of winter navigation.

Mr. HUGHES: Is the minister in a position to say what arrangement the Government is making or will make for transportation between the mainland and Prince Edward Island at the opening of navigation

this year until such time as the car ferry will be in operation?

Mr. HAZEN: That matter has been and is engaging the attention of the Department of Trade and Commerce. I understand that arrangements have been made for a service that will, I trust, be satisfactory, during the period between the opening of navigation at Point du Chene and the time next summer when the car ferry will be in full operation.

Mr. HUGHES: Would the minister say when he expects the car ferry to be in operation?

Mr. HAZEN: I cannot give my hon. friend any definite statement in that regard. I understand it is the belief of the Railway Department that the car ferry will be in operation before the fall—some time during the summer.

Mr. MACDONALD: The minister will agree with me that this was a case in which he was misled by his advisors in my constituency. Those who followed the explanation of the hon. minister have observed that his only excuse for the course taken was that the Longshoremen's Union had been organized only last summer. That excuse is not a good one. The minister has given the promise that in the event of the winter service between the two provinces being carried on next year as it is now, he would be disposed to consider favourably the matter of giving the contract for handling freight and coal to those to whom he ought to have given it this year, to the organized longshoreman, the people who are doing business of that kind at the port. My hon. friend admits that the department had an offer from this Longshoremen's Union. Had he communicated with the agent of the Department of Marine and Fisheries at Pictou he would have been informed that this union was an affiliation of the Longshoremen's Union in the city of St. John, with the union in the city of Halifax, and with the International Longshoremen's union. He would have been informed, also, that that union, as I have already stated, got all the work in connection with large shipments of lumber, with large shipments made by the Nova Scotia Steel & Coal company to the Russian Government, and with shipments of important material which came from various other large industries. Somebody, however, in the county of Pictou, who is handling the patronage along the lines so eloquently condemned by the hon. Minister of Trade and Commerce the other night, said to my hon. friend: pay no attention to this Longshoremen's union, whose business it is to attend to this work; hand it over to this tailor, this monument builder, and this mason, because they are useful people when election time comes round. I am glad the hon. minister has been frank enough to say that if the opportunity comes again he will see that this difficulty is remedied. These longshoremen, who are devoted to the idea of labour union, and who have wives and families to support, are walking the streets of this seaport town this winter because the men brought in from all over the country by this unique trio to which I have referred are taking the bread out of their mouths. These men are not being given a chance to work simply because they are loyal to union principles. It was suggested to these men: we will give you work, but you must permit an intermediate rake-off of five cents a ton for these three men. They said, no; we will not do that; we will stand by our union. It was open to the minister, who could have cancelled the contract at any time, to give the work to the labour union of the town, the members of which were willing to do the work at the same figures as the trio to which I have referred are receiving to-day. In view of the evidence before us, and of the facts being conceded, I think it is only fair and proper that the minister should deal with this matter at once. During a period of two months more communication with Prince Edward Island will be carried on as it is at the present time, and these men, who make their living around the wharves, will be out of work unless the minister intervenes. I do trust that, as a result of this discussion, the minister will take steps to remedy this injustice.

Motion agreed to.

PICTOU COUNTY MAIL SERVICE.

Mr. E. M. MACDONALD moved:

For a copy of all letters, petitions, papers, telegrams, tenders and other documents relating to the establishment of a rural mail route from Alma, through Sylvester and Loch Broom, and as to the closing of the post offices at Sylvester and Loch Broom.

He said: I desire to state briefly to the House the grievance of some six families in my county who have been deprived of any convenient mail service as the result of the establishment of the rural mail route referred to in the motion, which has resulted in the closing of these two post

offices. I wrote to the Postmaster General before the House met calling his attention to the effect of this change, and the minister replied that he would see that one of the offices, Sylvester, was opened. This has not been done, and I have been unable to get the matter dealt with in accordance with the Postmaster General's assurance. We have had a great many rural mail routes established in my county, and I think that in quite a few instances there has been a disregard for the convenience of the public. This is only one of about half a dozen cases in which people have been deprived absolutely of mail convenience as the result of the establishment of rural mail routes. Just now when we are economizing, it would be well for the Postmaster General to balance the question of cost with the question of convenience. When the establishment of a rural mail route compels half a dozen families, or even three or four families, to go very long distances to get their mail, it is doubtful whether such a service should be established. The rural mail service in my county involves an annual increased expense of $4,600, and in some cases there sems to be no justification for the establishment of the routes except to give some person holding a mail contract a larger payment of money. I do not want to indulge in any controversy, but merely to put on record the facts in this case so that the Postmaster General may remedy the grievance of these people, which in the winter months is a serious one. These families live on the crossroads and have to go a long distance to get their mail. I hope that the minister will be able to fulfil his promise to me at an early date.

Sir ROBERT BORDEN: I regret that the Postmaster General is confined to his bed by illness. I am, of course, not familiar with the matters to which my hon. friend has directed the attention of the House, but I will direct the attention of the Postmaster General to the observations of my hon. friend and ask him to take the matter into his best consideration.

SUPPLY.

The House in Committee of Supply, Mr. Rhodes in the Chair.

Sir ROBERT BORDEN: Before the Committee proceeds with Estimates I would like to give an answer to a question with regard to the Royal Northwest Mounted Police which was asked by my hon friend from Assiniboia (Mr. Turriff) during the discussion of an item in the Estimates to which it did not appertain. The item to which it properly referred, has been passed, but there is no objection whatever to giving the information. Upon an item relating to the Government of the Northwest Territories, my hon. friend made these observations:

Mr. Turriff: As this is probably the last item on which I can bring this subject up, I should like to ask the minister why Inspector Heffernan of the Northwest Mounted Police was not given his ordinary promotion, and why two junior officers were put over his head, practically compelling him to resign? I do not ask the minister to reply now, but he might have this information for me when his estimates come up again.

Mr. Roche: I would point out that the Royal Northwest Mounted Police are not in my department, but in the Prime Minister's. I will direct his attention to the hon. gentleman's question.

The report made to me by Mr. Fortescue reads:

In October, 1914, owing to the increase of the force to 1,200 non-commissioned officers and constables, two additional superintendents were required, and the appointments were filled by the promotion of Inspectors G. S. Worsley and R. S. Knight, Inspector Heffernan, who was senior to Inspector Knight, being passed over on account of his being lame and unable to ride, and therefore not in a position to perform his duties.

Inspector Heffernan having been passed over for promotion, requested to appear before a medical board with the view of taking his pension. This was done, and the board found that owing to the loss of power in his left leg, he was incapacitated for the performance of his duty; that the incapacity was likely to be permanent, and recommended that he be invalided and granted a pension. Inspector Heffernan was therefore, by Order in Council of the 4th December, 1914, retired from the service with a pension of $1,068 per annum.

Everything that was done in the matter was done on the recommendation of the Commissioner and Comptroller. I had no personal knowledge of the circumstances, and no knowledge of any of the persons involved, except that I had acquaintance with Inspector Worsley who, as I am informed, was the senior of Inspector Heffernan.

Mr. TURRIFF: I do not know very much about the matter either; I was asked to bring it up by a member who was unable to be present. But it would appear on the face of it rather peculiar that Inspector Heffernan should be considered as unable to perform the duties of Superintendent on account of lameness when apparently he was able for years to perform the duties of

inspector, which would be more likely to entail outside work and hard riding.

Sir ROBERT BORDEN: I really do not know anything more about the matter than is contained in the report. I can assure my hon. friend that I do not know Inspector Heffernan, and I would be very sorry to do him any injustice. The matter was in the hands of Commissioner Perry and Comptroller Fortescue, and I have no reason to suppose that they would in any way do injustice to Inspector Heffernan or to any officer or man in the force.

5 p.m.

Grant to the Interparliamentary Union for Peace, $200.

Sir WILFRID LAURIER: Is it the intention to spend this money this year; I wish it were.

Sir ROBERT BORDEN: This is the usual grant. It seems to me that this is a year in which the efforts of the Interparliamentary Union for Peace are required as much as in any other year. The amount will not be used unless it is necessary.

To provide for the expenses of the Acting High Commissioner, London, England, $10,000.

Sir WILFRID LAURIER: Does the Government intend to have a permanent Commissioner, or simply to have an interim Commissioner, as we have now?

Sir ROBERT BORDEN: The services of the representative of the Canadian Government in London during the war have been attended with a great deal of advantage in securing desirable co-operation between the Government of the United Kingdom and the Government of Canada in war matters. When Sir George Perley went to London in 1914, it was not the intention that he should remain there beyond September of the same year; but war broke out on 4th August, 1914, and, after consulting with the British Government, we thought it desirable that he should remain. He has satisfactorily discharged the duties of High Commissioner and he has also done a great deal of work, and has had to do with a great many affairs, which, strictly speaking, might not come within the purview of the duties of High Commissioner. Up to the present time, we have not thought it desirable to make any change in that arrangement, which has worked very satisfactorily. When in England in June last, I spoke to the Colonial Secretary, Mr. Bonar Law, and I found him very appreciative indeed of the services of Sir George Perley. He expressed to me the view that while the war lasted, at least, it was very desirable that the arrangement which has existed during the past eighteen months should be continued, and for that reason we purpose to continue it.

Sir WILFRID LAURIER: It is not proposed to make a permanent appointment now?

Sir ROBERT BORDEN: No, not now.

Mr. MACDONALD: I wish to inform the Prime Minister that there have been general complaints among the business men of the country as to the lack of a strong organization in the High Commissioner's office in London, to enable business interests in this country to be represented under more satisfactory conditions than have obtained in the past.

I make no special comment upon Sir George Perley's services one way or the other, except that I have heard prominent business men in this country say that there is no reason why there should have been such a tremendous expenditure in the United States upon a thousand and one different kinds of war supplies, when they could have been obtained just as easily in Canada. I am sure every hon. gentleman in this House has heard it said, as I have, that had the High Commissioner's office been properly organized, and had representations been made to the Imperial authorities as to Canada's facilities for turning out different kinds of war supplies, much of the trade that has gone to the United States would have come to Canada. We are told that in the United States, for some reason which it is most difficult for us in Canada to appreciate, everything that is purchased by Great Britain is done through Morgan & Company. Morgan & Company may be very important people in a financial way, and I suppose their services in that respect are of importance to the British Government; but at the same time there are many industries in Canada which could be operating to-day, turning out war supplies for the British Government if the trade had been brought to Canada instead of to the United States.

Sir ROBERT BORDEN: What, for example?

Mr. MACDONALD: My hon. friend from Guysborough (Mr. Sinclair) suggests horses. I am speaking of the general complaint made by commercial men in this country. We are told by certain persons represent-

ing Great Britain—and my right hon. friend must have heard of this—that if contracts in certain lines are to be given to Canada the prices must be lower than the price in the United States; when just the reverse should be the case. Canada, very properly, and on the highest possible grounds, is making great sacrifices in men, and in every other way for the Empire and the great issues involved; the United States, so far, has remained absolutely quiescently neutral. Yet, to-day, the workshops of that country are humming, turning out for the British Government supplies, a large portion of which might have been made in Canada. If immediately after the war broke out there had been a vigorous effort on the part of Canada's representatives in Great Britain; if they had made representations to the Imperial authorities as to Canada's facilities in the different lines of manufacture, I say we should have secured a larger portion of business than we have done.

Mr. BURNHAM: Is there anything to prevent my hon. friend going over there and making these representations?

Mr. KYTE: He is not paid for it.

Mr. MACDONALD: I do not see what the pertinence of my hon. friend's question is.

Mr. BURNHAM: I understand that the hon. gentleman, who characterizes a civil question as an impertinence——

Mr. MACDONALD: I said "the pertinence."

Mr. BURNHAM: I beg the hon. gentleman's pardon. I understood my hon. friend to say that if the proper people had gone to the Old Country at the beginning of this war——

Mr. MACDONALD: No, that was not it.

Mr. BURNHAM: Well, at some time during the war, then.

Mr. MACDONALD: No, that was not it.

Mr. BURNHAM: Well, at no time, then. I must have altogether misunderstood my hon. friend.

Mr. MACDONALD: I think my hon. friend must either be afflicted by the acoustics of this building, or, as the hon. member for North Cape Breton said the other day, the "alarm clock" has gone off again. My hon. friend spoke without appreciating what I said. I said if we had had a proper business organization in the High Commissioner's office at the beginning of the war, and our representatives had given to the proper authorities in Great Britain full and adequate information as to our facilities for manufacturing different kinds of war supplies we should have received a larger amount of orders than we have had. I say that that complaint is being made by business men all over this country; that the workshops of the United States are humming, and their workmen busy, manufacturing supplies which could be turned out in Canada just as well; furthermore, it has been said that unless Canada can supply certain lines cheaper than the United States she will not get the order.

Sir ROBERT BORDEN: Would my hon. friend give me his authority for that statement?

Mr. MACDONALD: If I may trespass upon a somewhat debatable subject, shells, for instance. Has my right hon. friend never heard the statement that unless Canada manufactures shells as cheap or cheaper than the United States, the order would go to the United States?

Sir ROBERT BORDEN: I have not heard of it.

Mr. MACDONALD: Then my right hon. friend has not heard what others of us have heard from well-informed authorities on the other side. Of course, I do not wish to give my hon. friend the details of a private conversation, but I may say that that statement comes from a source about which there can be no dispute. Sir George Perley is a very estimable gentleman, as all of us who knew him in this House know, but he went over to London as a locum tenens; he did not go over there inspired with the idea that a High Commissioner should have, namely, to make a record for himself as the representative of Canada. He went to London simply to hold the place till my right hon. friend was ready to make a permanent appointment. I do not care what the ability of any man is, or what his position, unless he gives to that position all the energy and enthusiasm which a man would do who was inspired with the idea of discharging his duties in the best possible manner and with full credit to himself, he will not get the best results. Complaints are made throughout Canada generally, and have been made for the last two years, that the business organiation of the High Commissioner's office should be on a wider basis. With all respect to the distinguished former High Commissioner, I say, as one who has visited

the High Commissioner's office, that we should have more Canadians on the staff; that now, before it is too late—and it is even more imperative on account of the war—there should be an immediate re-organization of the High Commissioner's office along business lines. We have been told in this House, and it is being said in the country, that when this war is over we may look forward to a period of prosperity. I hope that is true; the Minister of Trade and Commerce, however, expressed very grave doubt that it would prove to be true. We can be sure of this, however: so long as the war lasts, and perhaps for some years afterwards, Great Britain will be a big buying nation. Why should she not be induced to buy more supplies in Canada? It is all very well to say to business men in this country: send your private representative over to England. Men engaged in business in Canada have sent their own representatives over there; but they have always had difficulty in obtaining an entry into the proper quarters, on account of the red tape which always ensues from long-settled officialdom. Notwithstanding the personal regard we all have for Sir George Perley, I want to urge upon the Prime Minister the necessity of an immediate re-organization of the High Commissioner's office. We should have in London a business department, representing the business people of Canada, and prepared to say to the properly constituted authorities over there, Canada can do this, that and the other thing. I reiterate that the feeling among the business interests of this country is that greater energy should have been displayed by the Government in dealing with this matter. If Canada's facilities had been brought to the attention of the British Government, millions of dollars that have gone to the United States would have been spent in Canada.

Sir ROBERT BORDEN: My hon. friend has made some assertions that are entirely without warrant, as I can assure him. He takes it for granted—I do not know for what reason—that no representations have been made to the British Government nor to any of the Allied Governments—perhaps he did not go that far—as to the facilities in Canada for providing the supplies required for the war. He was never more mistaken in his life than when he made such an assertion, because from the very earliest weeks of the war up to the present time, the Government has repeatedly both by letter and by cablegram brought our resources to the attention not only of the British Government, but of the Allied Governments, through the British Government. My hon. friend contends that these governments should have been made acquainted with a list of the supplies of various kinds that can be furnished by Canada. That has been done by this Government on more than one occasion, and last summer I handed an amended and enlarged list to the various departments of the British Government. I had a great many conferences on the subject with them. In addition I arranged with the International Purchasing Commission in London to secure an interview at which all the Allied governments, I think, were represented. I spoke to them upon the importance of securing in Canada many supplies which we were able to provide as promptly and, I believe, of as good quality and at as reasonable prices as they could be furnished in any other country.

More than that, I have received from time to time, at least twenty-five delegations from persons in this country who were able to furnish supplies and who contended that the British Government had not availed themselves of the resources of Canada as freely as they should have done. To every one of those delegations which came at various times during the last fifteen months, I explained precisely what we had done in this connection, and in every single instance, after the situation had been explained and after the representations which we had put forward had been made known, those delegations stated to me in distinct terms that they believed that the Government of Canada had done everything possible to secure orders for supplies, not only from the British Government but from the Allied Governments. If my hon. friend knows of business interests throughout the country which are not satisfied with what the Government has done, I would be very glad to receive any of them and to explain to them, more fully than it is possible for me to do in this House, precisely what we have done in that regard, the character of the representations that we have made, and the effect that they sometimes have produced. It is perfectly true that early in the war there were sent to the United States orders that might very well have been sent to this country, and I have put representations in reasonably forcible terms before the various departments of

the British Government with regard to that. If my hon. friend were acquainted with those terms, I am sure he would regard them as expressing, as forcibly as it would be appropriate to do, the views of the people of Canada and of the Government of Canada in regard to this matter. I would be very much surprised to learn that any department of the British Government—

Mr. MACDONALD: I did not say "any department."

Sir ROBERT BORDEN: —or any person authorized to speak for any department, or any person speaking with any authority had said that no order for supplies could be given to Canada unless they could be furnished cheaper here than in any other country, because I have the assurance of the British Government and of the permanent officials of the great purchasing departments that, other things being equal, they would in every case give a preference to the productions of this country, and would in the first instance, look to the resources of this country. When I went over the matter with the Contracts Department of the War Office last summer, I asked to be furnished with a comparative statement and it was furnished to me. After my return from Great Britain, I made that statement public. I think it dated from the commencement of the war up to the beginning of July or to the end of July last—I am not quite sure which. That statement was accompanied by an explanation in every case why the order went elsewhere than to Canada, and I would be very glad, indeed, to show it to my hon. friend or to any other hon. gentleman opposite who might care to look at it. The results which were set forth in that statement were more favourable than I had anticipated from the rumours as to orders which had been placed in the United States. Of course, hon. gentlemen will remember that, particularly in the first four or five months of the war, there was hurry and confusion, and the most extreme haste to obtain certain supplies which were vitally and absolutely necessary. Hon. members must also bear in mind that at the commencement of the war the industrial resources of Canada were not as well understood in the United Kingdom as they afterwards were. Notwithstanding the haste, the urgency, the necessity that supplies should be procured with the utmost possible expedition, and in very large quantities, I was informed by the director of contracts, in this statement to which I have alluded, that up to the beginning or the end of July last—I am not sure which—the orders placed in the United States ran up to £101,000,000, and the orders placed in Canada ran up to £48,000,000. One would have imagined, from the reports in the press, that the discrepancy would be infinitely greater than that. I was distinctly informed by various members of the British Government, to whose attention I brought this matter, and by the permanent officials of every department, that Canada would receive the preference in respect of orders for supplies necessary for the war. Further than that, I was assured that, in so far as they had any influence with any of the Allied Governments—and I think they have some influence—they would endeavour to procure for the producers of Canada all orders that could be supplied at reasonable terms, with expedition, and of a good quality. I have no reason to believe that the assurance given to me at that time has been since departed from. If there is any ground for believing that the promise then definitely made to me is not being carried out I would greatly appreciate the advantage of having the information as to the specific instance afforded to me in order that I might bring it, as I would feel it my duty immediately to bring it, to the attention of the British Government, and particularly to the attention of the department concerned.

From my experience in London I know that Sir George Perley is in the most intimate and close touch with the purchasing departments and the permanent officials of those departments. He goes to see them daily in connection with some matter or other of this kind, and he did so while I was there. I should be glad, indeed, if any additional organization were necessary, to have it provided. But I might say this in connection with the whole subject, that the Canadian Manufacturers' Association have had their attention directed by the Government to the importance of making some effort in this regard themselves. It is not too much to say that during the early weeks or months of the war the manufacturers of the United States were, perhaps, a little more alive to the situation than were the manufacturers of Canada. When the war broke out the American manufacturers immediately sent across the Atlantic the best men they could secure for the purpose of soliciting orders

from the British Government and from the Allied Governments.

Our manufacturers, I believe, did not display quite the same activity and enterprise as was shown by those on the other side of the line. Later, however, the Canadian Manufacturers' Association, or a large number of its members, established last summer an organization intimately connected with the Manufacturers' Association, which, if I remember correctly, is called the Canadian Export Association. They appointed two managers and these managers have been in England during the past six months. By this means they are endeavouring to take action which, perhaps, might have been taken with advantage at a somewhat earlier date. I am led to believe from the report made to me by one of the managers of the association on his return, that the work they are able to carry on will be attended with some advantage.

In addition to what we have done in other regards, we have pressed the British Government and every one of the allied governments to establish purchasing commissions in Canada. The French Government appointed the Hudson's Bay Company. At first, it may be, this company had its authority somewhat restricted; but I have understood that about six months ago the authority of the Hudson's Bay Company to act for the French Government in this country was made pretty general, and that they are acting for the French Government in respect to all supplies that Canada can furnish. We had invited the French Government to take that step, and we repeatedly pointed out to them, not only through the British Government, but through the Consul General of France in Montreal, the opportunities which there are in Canada to secure the supplies required by France. We have taken the same course with the Russian Government, not only through the British Government but through the Russian Consul General in Montreal. Speaking with the utmost frankness and sincerity, I do not know of any step we might reasonably have taken in the last eighteen months to bring the resources of Canada to the attention of the allied Governments that we have not already taken. For my part, I shall be glad to show to my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) or to any other gentleman on the other side of the House, the very great volume of correspondence that has taken place on this subject during the last eighteen months. I venture to think that if hon. gentlemen should become acquainted with that correspondence—a good deal of which is of a highly confidential character—they will come to the conclusion that the Government is thoroughly alive to the importance of securing for Canadian manufacturers and producers a full share of opportunity to furnish the supplies made necessary by this unfortunate war.

Mr. TURRIFF: It seems to me that the hon. member for Pictou (Mr. Macdonald) might have gone a little further and included the allied countries as well as Great Britain. I have read in the newspapers half a dozen times within the last few months that even orders for British Columbia timber have to be given through agents in the United States. My right hon. friend gave the figures of British orders given in the United States, but we have seen lately in the newspapers statements of orders to the amount of $2,000,000,000 for war munitions and supplies placed in the United States, not by Great Britain alone, but by the allied Governments. I was told by one of the very highest railway authorities in the Dominion that last month there had been at one time twenty-five thousand cars loaded with supplies ordered by the Russian Government standing on the tracks around the port of New York, for which, by some mismanagement, the agent could not secure ships. That was one of the causes of the blockade in different parts of the United States and also in Canada. I do not know what class of goods these cars contained; they may have contained shells for all I know. So far as I can learn Canada has not yet produced one single completed shell, and so would not have been able to furnish shells to the Russian Government. But the fact that twenty-five thousand cars were standing on the track at one time loaded with goods consigned to the Russian Government, shows to what a vast extent that Government is buying goods in the United States. It seems reasonable to believe that there must have been in these cars some classes of goods that should have been ordered in Canada. And, while I am not going to say that my right hon. friend and his Government have not taken some steps to secure these orders, it does seem to me that there has been either carelessness or incompetency in some way or Canada would have got a better proportion of the orders for such materials as we could

have supplied just as well as the United States. I think the remarks of my hon. friend from Pictou were very timely and very much to the point, and I trust the Government will take them in good part, and will see if in the future something more and something better cannot be accomplished than has been accomplished during the last year. I can quite understand, as the right hon. the Prime Minister says, that during the first six months of the war things were upside down, and probably none of the Governments knew exactly where they were. But during the last year, and especially during the last six months, this has not been the case. And from this time on—and we may have this war going on for another year, or two or three years—if the Government will be alive they can accomplish more than any private individual, no matter how good a salesman, can accomplish. We should be able to obtain a good big percentage of the orders given by Russia, France and Italy, to say nothing about Great Britain. I have no doubt that, so far as British orders are concerned, if we can fill them, and fill them at right prices, we can get a good share. But I think we ought to get a good share, a bigger share than before the orders from the allied countries.

Sir ROBERT BORDEN: I hope the hon. gentleman (Mr. Turriff) will not place too great reliance upon reports he sees in newspapers. If on one occasion at least on fifty occasions since the outbreak of war indignant telegrams have been sent to me about rumours of huge orders for this, that, or the other class of goods, placed in the United States that could have been placed in Canada. I am quite sure that in at least ninety per cent of the cases, and I believe in ninety-five per cent, upon my sending a telegram to inquire the reason for this and why Canada had been overlooked, I found that there was no truth whatever in the newspaper statement. In almost every case where rumours of that kind were brought by us to the attention of the British Government, either directly through the Governor General or through Sir George Perley, that was the reply. I am really at a loss to know what more could have been done by a Government than has been done by the preseent Government since the outbreak of the war. I have made it a matter of personal attention. On many occasions, during my visit to England last summer I made it my business to go personally and see not only the responsible minister, not only the permanent head of the department, but the head of the particular branch that had to do with the ordering of supplies in this country, with the result, as I have said, that I had the definite specific and absolute assurance that, in cases where these supplies could be obtained in Canada, Canada would receive the preference. If any hon. gentleman on the other side of the House can give me any instance where that assurance has not been carried out during the past six or seven months, since that promise was made to me, I shall be very glad to have my attention directed to the instance, and I shall certainly bring the subject to the attention of the British Government without any delay.

Sir WILFRID LAURIER: It seems to me that my right hon. friend has not at all apprehended the force of the remarks that have been made by the hon. member for Pictou. The High Commissioner for Canada in London discharges in ordinary times duties of a diplomatic as well as of a business nature. Perhaps the exceptional nature of the events that have occurred in connection with the war have justified the view of my right hon. friend that it would be desirable to have one of his colleagues at the seat of Imperial Govenrment. The business in connection with work of a diplomatic nature has been increased tenfold by the war, and I find no fault with my right hon. friend's having in London one of his colleagues to represent the Canadian Government. I do not wish to say anything as to the character of the services which Sir George Perley has rendered, because they have been largely confidential, and we have not had any report of his operations. One thing, however, is apparent to everybody: if, in addition to Sir George Perley, who might properly have given the greater part of his time and attention to our diplomatic relations with the British Government, there had been at the High Commissioner's office in London a wide-awake, up-to-date business man, Sir George Perley would still have had his hands full in attending to the matters which came before him for consideration. I am sure that under these circumstances Sir George Perley, even if he did his best, could have rendered more valuable service. If this be the case, it would seem that the sooner some capable person is appointed to this position the better it will be for the country.

Sir ROBERT BORDEN: I do not believe that a better business man than Sir George Perley, who has had wide business experience, can be found in Canada. I know that his time has been taken up more largely with the matters of business than with matters of diplomacy. When I was in London during the past summer I asked him whether he required on his staff any additional persons who should be familiar with these matters, or whether he required any further organization. I assured him that if he desired any additional organization or any increase in his staff, the Government would be only too happy to make the necessary provision therefor. He told me that up to that time the staff had been adequate for all needs, and that if he should require any addition or reorganization, he would let me know, in which case the Government would make any provision that might be necessary or desirable.

Mr. PUGSLEY: I have heard from persons who ought to know that for a number of years the High Commissioner's Office has been lacking in officials who are Canadians. It has been strongly urged that Canadians of ability and experience ought to be attached to the office. That complaint was made at the time of Lord Strathcona's commissionership, and it is made to-day, notwithstanding the change that has taken place in the High Commissioner's Office. If my right hon. friend will ask the representatives of the provinces in London, what they think of the official circle in the High Commissioner's Office, I am sure he will be told that it is not at all satisfactory. The difficulty seems to be, and has been for years, that the office is looked upon rather as a diplomatic office, and that those who are in charge regard themselves as being above and separated from the ordinary people of Canada. I heard that statement not very long ago from a very able man who has been the representative of one of the provinces in London, and that which I heard a few weeks ago was the same story that I heard a few years ago. More Canadian life ought to be infused into the High Commissioner's office. No matter how good a business man he may be, the High Commissioner, occupying the distinguished position that he does—which, as I have said, is largely diplomatic—cannot be supposed to give to business matters the attention which would be given to them by business experts. My right hon. friend says that if the correspondence were disclosed it would be seen that he has made vigorous protests to the officials of the British Government respecting orders in Canada. The very fact that he found it necessary to do that is a reflection upon the High Commissioner's office. Why should my right hon. friend have found it necessary to make vigorous protests against the way Canada was being treated in respect to war orders? The proper officials of the High Commissioner's office ought to have been looking after that. They ought to have informed the officials day after day with those who had the giving of war orders. They ought to have informing the officials of the British Government that Canadian manufacturers were prepared to turn out all supplies needed for the equipment of soldiers just as well as manufacturers in the United States. The Minister of Militia has said that after the war broke out the officials of the British Government were actually of the settled opinion that shells could not be manufactured in Canada. Why were they so ignorant of the capability of Canadian manufacturers? Should they not have been informed by the officials of the High Commissioner's office that Canadian manufacturers could turn out shells? Why was it necessary for the Minister of Militia to cable to England the information that Canadian manufacturers were capable of turning out shells? So with other matters. Why was it that up to a few months ago it was thought by officials in Great Britain that Canada could not manufacture fuses? Large orders for the manufacture of fuses were given in the United States; I believe that these fuses have not yet been delivered to the British Government. Why were the officials of the British Government not informed that these fuses could be manufactured in Canada just as well as in the United States, and why should not these millions of dollars have been distributed among the Canadian people instead of among people of the United States? Why has it remained for Mr. Flavelle, as Chairman of the Munitions Board, after almost eighteen months, to take the first steps for the manufacture of fuses in Canada, when everybody knows that our manufacturers have the skill, the enterprise, the capital, the opportunity to establish factories which would enable them to do this work just as well as manufacturers in the United States do it? My hon. friend has a just ground for making, on behalf of the Canadian people, the complaint which he

has made. If we had attached to the High Commissioner's office, not Englishmen, who know comparatively little about Canada and its resources, as compared with what the people of Canada themselves know, but expert Canadians, who would give information on these matters, and would be in touch with the officials of the War Office from day to day, very much greater results would be accomplished for Canada and very much larger orders would be placed than have been placed. Of course, it is not too late to remedy the evil, and I trust that in the future some steps will be taken along the lines suggested by my hon. friend from Pictou.

Mr. OLIVER: I wish to draw attention to the fact that, so far as the manufacture of war supplies in the city of Edmonton is concerned, the condition is not as good to-day as it was six months ago. Some time last winter a contract for the manufacture of saddles for the Russian Government was secured by the Edmonton Saddlery company. That was filled with complete satisfaction. Then, in the spring, a contract was secured for a thousand sets of artillery harness for the French Government. That contract was filled to satisfaction; it was turned out within the contract time, the quality was beyond criticism, and, of course, no fault was found with it. But since then no contract of that character has been secured in that city; in fact, no other contracts of any kind, so far as I am aware, except that two machine shops have been able to get certain shell contracts. The manufacture of harness is an industry that naturally belongs to the western country. There is in that country an enormous demand for team harness, and it is advantageous that it should be made near where it is required. So we have in western cities harness manufacturing establishments manufacturing harness and leather work of that kind who do it, I have no doubt, as well as it is done anywhere in the world. Thus we are not barred by our conditions and circumstances from securing contracts for that particular form of war supplies. I wish to bring that fact to the attention of the Prime Minister as otherwise it might be assumed that while things were not satisfactory a few months ago they are satisfactory now. They were more satisfactory a few months ago than they are now, inasmuch as we were getting contracts then and are getting no contracts now.

I am under the impression that this question is very much larger than it has been considered to be up to the present time. While it is not well to pay too much attention to what appears in the newspapers, still the fact remains that there is an enormous industrial boom in the United States by reason of these war contracts. Only this morning I read in the Montreal Gazette that the bank clearings of the United States for the week ending on Thursday last were over fifty per cent higher than for the corresponding week last year, and the general impression is that that change of conditions is very largely due to the profitable work of providing war supplies. There has been no such increase in bank clearings on our side of the line. The same statement gives the increase of clearings in the eastern cities at twenty-nine per cent, in western cities at only six and a half per cent over the same week last year. So there is no doubt that unless there has been a misunderstanding as to the source of the industrial activity of the United States, it must be because the proportion of war orders there is immeasurably larger than here. The figures given by the Prime Minister were one hundred million pounds to the United States, as against forty-eight million pounds to Canada. That is to say we were receiving war orders of nearly half the value of those placed in the United States. If that were the fact, the forty-eight million pounds would mean relatively a much greater degree of industrial employment and advantage to Canada than the one hundred million pounds would to the United States; and yet we find that the financial conditions, universally represented as being the result of war orders, are very much better in the United States than they are in Canada. I do not wish to criticise or to suggest that the Government has not used every effort or has not appreciated its responsibility in the matter, or that the High Commissioner is not properly discharging his duties; but the fact remains that with the condition of war now existing there has been an opportunity for tremendous industrial expansion on this side of the Atlantic. According to what we might consider fair play Canada should share in that industrial expansion at least equally with the United States. But, as a matter of fact, Canada has not shared equally with the United States in that expansion and, so far as the city of Edmonton is concerned, the conditions are not as good to-day as they were six months ago.

Sir ROBERT BORDEN: The industrial organization of the United States is, of course, in a very much more advanced

condition than that of this country, and it is enormously greater. When the statement was given to me by the director of contracts. Mr. Winter, I really was surprised that the proportion placed in Canada was so large, because from the reports in the press I thought that the orders placed in the United States must be perhaps ten times as great. I have no reason to believe that the statement furnished to me was not an accurate statement; I am sure it would be accurate and dependable. That, however, relates only to orders placed by the British Government. There have been orders for harness from the Italian, French and Russian Governments, and there may have been some for boots at one time, although I think lately there have not been any orders for boots. Whenever we have heard of a contemplated order by the French, the Russian, or the Italian Government, we have not failed to press upon the attention of the Government concerned, in each instance, Canada's ability to fill that order. We have not failed to do that in a single instance where the subject has come to our attention, and in some cases with good results. As far as leather goods are concerned, I am informed that we shall require for our own troops in the immediate future a very considerable amount of harness, that requests for tenders have been sent out within the past two or three weeks, and that tenders will probably be in shortly. I hope it may prove that the industries in Edmonton, to which my hon. friend has alluded, will benefit by the opportunity thus afforded.

I may say to my hon. friend that in dealing with orders for supplies for our own troops, the Government have felt it incumbent upon them to give special consideration to the industries of Western Canada. We have taken steps for that purpose which I think have proved effective. I do not think we can well be criticised for taking the course to which I have alluded, and which can be explained later by the hon. member for East Toronto (Mr. Kemp) as chairman of the War Purchases Commission. It was felt that we should give consideration to the conditions of unemployment which prevailed in the West, during the months of last winter and last spring, perhaps to a more serious extent than in other parts of the country, and that we should also have regard for the splendid response that has been made all through Western Canada to the call to take up arms in defence of the liberties of the Empire. I hope that Edmonton may derive some benefit from the tenders which, I believe, are expected shortly.

At six o'clock, the committee took recess.

The committee resumed at eight o'clock.

Mr. MACDONALD: We have had the advantage of the statement which has been made by the Prime Minister in regard to this matter, but as has been pointed out by hon. gentlemen on this side of the House, I think the right hon. gentleman misapprehended the point I was making. I, of course, accept his statement as to what the Government did on this side in regard to supplying the material required for the war. It is, however, a matter of common notoriety in this country, that owing to certain representations that are said to have been made by certain members of the Government, a very large contract for shells for Russiia is now being filled in the United States, certain contractors having transferred it there. I quite believe that my right hon. friend discussed with the Sceretary of State for the Colonies and other members of the British Government, what Canada might or might not do in regard to supplying the needs not only of Great Britain, but of the Allies. But he is here and the War Office is there. The point which I made was and I desire to reiterate it, that there is not in the High Commissioner's office today, and there has not been since the war began, that arrangement for business representation in the Old Country whereby the War Office would be advised of the thousand and one things that could be made in Canada. The High Commissioner's Office is not in a position to advise the War Office as intimately as it should be advised in regard to these things. My right hon. friend and his Government are many thousands of miles away from the War Office. What Canada wants, and should have, in the High Commissioner's office is a business attache or attaches equipped with a full and complete knowledge of Canada and her industrial facilities, and in touch with the War Office at all times. That the necessity for such an organization exists I propose to prove by the evidence of my right hon. friend himself, in a statement which he made to the House just before prorogation last year. On the 15th of April, 1915, the Prime Minister made certain remarks in regard to a statement prepared by the

Chairman of the Shell Committee. The Prime Minister quoted the following paragraph from that statement:

> The ordnance advisor reported this matter and indicated how many more shells could be undertaken. The Minister of Militia called a meeting of the committee at Ottawa and, after discussing the matter, cabled Lord Kitchener, pointing out that much larger contracts could be undertaken by the manufacturers in Canada. He emphasized the fact that many works were standing idle in the Dominion, while contracts were being placed in the United States for shells by the British War Office. This resulted in additional contracts for 18-pr. fixed ammunition, complete without fuses and empty 18-pr. shrapnel shells.

Then my right hon. friend went on to say:

> It was proposed by several of the manufacturers that a deputation from the committee should be sent to the War Office, London, to put their claims before the Secretary of State for War. The Minister of Militia, decided on the recommendation of the committee, to send Mr. David Carnegie, as he was familiar with the whole situation. It was also decided that he should visit Woolwich Arsenal and obtain the latest information on the various details in the manufacture of complete ammunition.
>
> The result of his visit has been fully reported to the Minister of Militia, but it might be briefly stated here that the War Office officials did not fully understand the nature and importance of the committee's work, and had no idea that the factories in Canada were capable of undertaking such contracts, until these facts were placed before them.

I submit that that proves my argument, that there should be in the High Commissioner's office in London a business representative or representatives with full and complete knowledge of Canada's resources and industrial facilities. Then it would not be necessary for an errant Shell Committee to send over to England after a long lapse of time some gentleman to inform the War Office of Canada's capacity for making shells. I submit that the first duty of our representative in London, after his diplomatic duties, was to lay these facts before the War Office. The Prime Minister gave this statement to the House in April, 1915, less than a year ago. The War Office had no idea that our factories were capable of undertaking such contracts until these facts were placed before them. The High Commissioner for Canada should have placed these facts before the War Office months before we sent over Mr. Carnegie to tell the War Office what we could do; and I submit that if the conditions which prevailed in the High Commissioner's office at that time, and which had prevailed since the outbreak of war, still exist to-day I have fully proved my statement that Canada is daily losing business for the simple reason that we have nobody in England to tell the War Office what we can do. My right hon. friend told us to-day that there was not a better business man in Canada than Sir George Perley. Though I have every personal regard for Sir George Perley, I take exception to that statement. I do not think that the business knowledge of Canada will die with Sir George Perley. He was the fortunate possessor of inherited wealth, and his relation to business was largely confined to lumber and the Ottawa valley. There are hundreds of men in this country to-day who have fought their way up in the business world and have a more general knowledge of the business of Canada than Sir George Perley, estimable gentleman though he is. And that he has fallen down, or has not behind him that organization which would enable him to attend to all these matters, is quite patent from the statement I have just read in regard to the lack of knowledge on the part of the War Office, and the necessity for Mr. Carnegie's mission to England. What is the position of Canada to-day? Is Canada supplying the needs of the boys at the front? We all know what a tremendous consumption of clothing, fittings, and accoutrements there is in connection with our boys in the trenches; how their underclothing has to be thrown away, and that sort of thing. Can my right hon. friend tell me whether Canada is supplying these deficiencies as they arise? Unless we have in Whitehall or at Victoria street an organization which is able to be in touch with the War Office daily, and in a position to give the War Office full and complete information as to Canada's industrial facilities and capacity for production,—an organization in possession of all those details which proper business management would require to be on hand, is it any wonder that contracts are being placed in the United States while "many works were standing idle in the Dominion," as Colonel Bertram said in his statement. I submit that we should have in the High Commissioner's office an organization which would be on the qui vive at all times, to inquire from the War Office what was wanted and inform them as to the extent these requirements could be filled in Canada. That is what Canada requires at the other side. In considering this question we need not discuss the personality of Sir George Perley; the question is, has he under him that organization which will enable him to cope with the situation as it exists to-day? If the office of the High Commissioner is anything like it was some seven or eight years ago, I do not care how clever Sir

George Perley is, I say that High Commissioner's Office is totally and absolutely inadequate to deal with the representation of Canada's possibilities in connection with this war. Any one who has been on the other side will agree with me in that statement. I am urging, not upon any small ground, but upon the ground that it is in the interest of the whole country, that Canada should be properly represented in Great Britain. One does not need to recriminate in a discusion of this kind and I am not recriminating; I am simply stating that it is alleged in the press and that it is stated in the Shell Committee's report, that the War Office does not know what Canada can do; that it believed that we could not make shells and that it had to send Mr. Carnegie over here to tell us how to make them. The same is true of almost every other industry. I am as strong a British subject as any man, but I am also a Canadian, and I realize, as any hon. gentleman who has visited the other side must, that there is a long road to go in order to teach officialdom, and many people in Great Britain, just what Canada's possibilities are. Hon. gentlemen in after-dinner speeches will utter splendid sentences, and editors will write lengthy editorials in regard to these problems, but when you come down to the business end of the matter, Canada, if she is going to take her share in furnishing the supplies required to help out the Empire in this war, should have and must have adequate business representation in the High Commissioner's Office; or if not, the history of the first six months of the war, as detailed in this report will be repeated every six months until this war is over, and this great country to the south of us, whose rather apathetic interest in regard to the grave issues involved in the war has become the wonderment of the civilized world, will go on doing as it did during the first six months of the war, that is, taking many more millions of dollars for orders than Canada is receiving. I urge this matter upon the Prime Minister in all seriousness; I believe the importance of the business interests of this country requires this urging which I am attempting to make.

I assert that the High Commissioner should have a business organization representing this country which should gather from governmental and other sources full and complete and adequate information in regard to the possibilities of Canada, and that this should be available at all times so as to enable the High Commissioner to put his hand at any moment on information in regard to the furnishing of any supplies that the War Office may need from time to time.

Sir ROBERT BORDEN: My hon. friend speaks of the lack of knowledge on the part of the British authorities as to the capability of Canada to manufacture shells.

Mr. MACDONALD: This report does.

Sir ROBERT BORDEN: As a matter of fact, my hon. friend did not know that Canada could manufacture shells.

Mr. MACDONALD: Oh, yes.

Sir ROBERT BORDEN: Further than that, if he did know it, he knew more than the manufacturers themselves knew, because it was with the greatest possible difficulty in the first instance that they were persuaded to undertake the task of manufacturing, not shells, but shell cases, in Canada. At first, there was a great question as to the production of shells here, and it is to a gentleman in my hon. friend's constituency, Col. Cantley, that credit is due for making it apparent to the British Government that we could produce in this country steel which was perfectly well adapted for the purpose of manufacturing these shells, and the steel has to a very great extent been produced in Canada. It is all very well to look at conditions as they are to-day, but in order to understand conditions as they were when the war broke out, we must realize not only that the British Government did not know the capability of Canada to do a great many things that it is doing to-day, but the manufacturers of Canada themselves did not realize the capabilities of Canadian industries to do a great deal of what is being done in this country to-day. When that capacity was once demonstrated, the Government was insistent, in season and out of season, in urging, not only on the British Government, but on the Allied Governments, the resources of this country to produce food supplies and also manufactured articles necessary for the war. I said to my hon. friend this afternoon that there was a distinct engagement—I have it in writing under my hand—that whenever any articles required by the British Government could be produced in Canada, application would be first made to Canada. I have asked for any instance during the past six months in which the purchasing

departments of the British Government have not fulfilled that promise. I repeat that if any instance of that kind can be brought to my attention, I shall be prompt to make the British Government acquainted with it, and to ask them the reason why a distinct engagement entered into with them last summer has not been carried out.

My hon. friend asks whether or not our men at the front are supplied with uniforms and clothing produced by Canadian manufacturers. Our men go overseas supplied with uniforms and clothing ordered by the Canadian Government in Canada. I do not know whether my hon. friend had in mind what I had in mind when I was in the Old Country and brought the matter to the attention of the British Government. I said: "When our men get to the front, their uniforms and clothing have to be discarded from time to time and new issues are made by you; you tell me that you are able to supply in the British Islands all requirements for uniforms and clothing; I suggest to you that, so far as you issue uniforms and clothing to Canadians, under the conditions mentioned, you ought to consider the manufacturers in Canada, and I insist that you shall consider the Canadian manufacturers in this country." They gave me a pretty fair answer with regard to that, and I will tell my hon. friend what it is. I have it right here under my hand. They said to me: "Here is a statement of issues to Canadian troops already made and of estimated issues for the next twelve months, and here also is a statement of the purchases of these same articles in Canada from the first day of August, 1914, to September, 1915." The memorandum is as follows:

Issues to Canadian Troops.

Articles.	Issues already made.	Estimated Issues for next 12 months.	Total Issues.	Purchases in Canada, August, 1914, to Sept., 1915.
Great coats	7,700	24,000	31,700	103,145
Jackets	27,000	120,000	147,000	504,738
Trousers	18,500	80,000	98,500	502,000
Flannel shirts	45,000	200,000	245 000	1,015,385
Cardigans	200	50,000	50,200	665,488
Vests	19,000	80,000	99,000	207,450
Drawers	40,000	160,000	200.000	3,028,800
Socks (pairs)	71,000	300,000	371,500	5,155,002
Rubber boots	1,362	10,400	11,762	110,000
Shoe packs	275	Nil.	275	9,700

There were two items as to which purchases have not been made in Canada, and these I will read:

Articles.	Issues already made.	Estimated Issues for next 12 months.	Total Issues.	Purchases in Canada, August, 1914, to Sept., 1915.
Pantaloons	13,500	60,000	73,500	Nil.
Ankle boots	31,130	120,000	151,130	Nil.

If hon. gentlemen take these totals, they will see that the purchases in Canada of articles of the character set forth have been infinitely greater than those supplied to the Canadian soldiers. So, my representations to the War Office met, as I consider, with a very satisfactory answer. On the whole, purchases made by the British Government in this country are a good deal larger than hon. gentlemen imagine. I have documents here on this subject. They are marked "confidential," but I shall be very happy indeed to show them to any hon. gentleman on the other side. I have a summary of a statement of purchases, and I might just run over the list, without indicating the amounts, to show the wide range of articles purchased by the British Government: Sets of saddlery, artillery harness, blankets, saddle blankets, wire cable—thousands of miles of this has been ordered—copper rod—many tons—double sets of artillery harness, army blankets, high explosive shells, cardigans, pantaloons,

brass brushes, shaving brushes, paraffin candles, pick axes, picketing points, picketing posts, shovels, anti-toxin, water bottles, bacon, cheese, flour, fowl, oats, preserved meats, dried vegetables, great coats, trousers, coats (sheepskin lined), cotton drawers, fingerless gloves, leather mitts, rubber boots, travelling kitchens, wagons, horse collars and a very great variety of other goods. This was up to last July. Since then, we have had a statement of further orders placed. I may read a selection of some of these: Cables, munition boxes, cartridge cases, finders, trinitrotoluene—a new product in Canada—folding axes, hand-axes, hammer-headed axes, barbed wire, forgings, helves, leather goods, musical instruments—particularly bass and side drums—nails, shovels, bacon, cheese, flour, hay, oats, dried vegetables, rubber boots—a very large number—suction hose, cardigans, woollen drawers, socks, undervests, shoe-packs, and a great many other articles with which I need not worry the Committee.

I am as anxious as any hon. gentleman in this House to see full justice done by the British Government and the allied governments to the resources of Canada. I am convinced that the British Government is giving us every consideration possible. That is the statement that was made to me last summer. The correspondence, as I have said, is largely of a confidental character, but perhaps I may be allowed to quote a sentence, if the House will pardon me for not laying the letter on the table. This letter is a summary of a great many communications made orally and in writing by the spending departments of the British Government. At the end of what I shall quote is a reference to the exchange difficulty, which was very great at that time. I hope hon. gentlemen will bear in mind, in connection not only with the British but with the Russian Government, that the exchange question presented very great difficulty, and as is well known, the arrangements made for a loan in the United States were partly designed to meet this difficulty. I quote:

> Whenever it is found necessary to place an order abroad, it is and will be the settled practice of my department to give Canadian producers the first opportunity of tendering, but our purchases abroad must obviously be limited by our ability to pay for them.

That part of the sentence relates to the difficulty with regard to exchange, which was much more serious at that time than it is now. The pledge which was made to me in that letter and in letters from other departments of the British Government, has, I think, been honestly carried out. I think it has always been the desire of the British Government to give every possible consideration to our industries. I am inclined to think that in the early weeks of the war orders may have been given on this continent in the belief that they were being filled by Canadian manufacturers, when, as a matter of fact, they were being filled by people on the other side of the line. I hope hon. gentlemen will appreciate the enormous task that was imposed upon all departments of the British Government when this war broke out. There is, perhaps, a little more routine in those departments than in our own; and up to that time they had been filling their military and naval requirements almost wholly, I think, in the British Islands. In the stress, hurry and confusion of the awful events which were precipitated in August and which have continued ever since, one would not wonder, perhaps, that the officials of these two great departments should select some large company in the United States to fill an order which had to be filled at once, without giving that consideration which we might have expected they would give to the resources of this country. I thoroughly believe that the officials of all the departments of the British Government were not at all aware of the extent of Canada's industrial resources when this war broke out, and in that respect I entirely agree with my hon. friend. I think, however, that my hon. friend should be satisfied that I have taken every possible means to impress upon them since the war broke out the extent of our industrial resources, and I know that Sir George Perley has done so. By means of telegrams, despatches, and oral conversations with the various officials of the British Government, we have sought to impress upon them in the most vigorous way what we are capable of producing in Canada, and I do believe that at the present time they are pretty well seized of our capabilities. Every official of the British Government who has come here during the past eight or nine months—and there have been many of them, from the War Office and from the Admiralty—has freely admitted that the manufacturing industries of Canada are much more extensively developed than they had previously realized. It is that point of view which we have endeavoured with a good deal of success, I think, to impress

on all the officials of the War Office, the Admiralty, and the other spending departments of the British Government.

Mr. GRAHAM: Anything that I say must not be construed as an unfavourable criticism of Sir George Perley, much less a condemnation of his business ability. Sir George went to London as High Commissioner, not as commercial agent. The duties of High Commissioner heretofore have been along lines entirely different from those now under discussion, and it would not be surprising if the High Commissioner, without the necessary machinery at his disposal, should not be able to accomplish everything we might expect of him as our representative. But the point is that we have an office in London, and that we have not supplied that office with the machinery necessary to meet all the requirements of industrial Canada. Shortly after the war broke out I met in Toronto a gentleman from western Ontario, who wanted to know to whom he should convey the information that he could supply certain things for the War Department. I tried to advise him as well as I could, but he said that he had approached without success the persons whose names I gave him.

Sir ROBERT BORDEN: Had he tried me?

Mr. GRAHAM: I think I did not give him my right hon. friend's name. Whatever we have done in the past, I think it is now time that we had in the city of London full machinery to meet the requirements of businessmen and manufacturers of Canada who have had and will have goods to export. The office of High Commissioner has always been, as it is now occupied by prominent men who have upheld the dignity of the Canadian people. That is well; but as a young nation depending largely upon the returns from our export trade for our advancement, we ought to have in our office in London the most practical machinery that we can arrange for. A Canadian who had occasion to visit the United States frequently since the war began would have the peculiar experience of meeting in that country Canadians with orders in their pockets from the various Allies, which they were trying to place with manufacturing concerns across the line. Had we had the necesary machinery these orders would have come through the High Commissioner's office, and would have come to Canada first. The fact that a Canadian got an order did not imply that that order would be filled by a Canadian manufacturer.

That gentleman, no matter whether he lived in Canada or not, would take that order where, perhaps, he could get the largest amount of commission out of the various allied countries. Men from our own country, not by the single individual, but by the score, have been in the great cities of the United States ever since the war broke out, handling orders from the Allies and from the British Government, that ought certainly first to have been offered to the Canadian manufacturer.

Mr. W. H. BENNETT: What was the nature of the orders received from the British Government that they were peddling over in the United States

Mr. GRAHAM: They had orders for munitions of various kinds, and these were offered to and generally accepted by the United States manufacturer. I am not saying that I blame the Canadian for getting these goods manufactured in the United States as a pure business proposition, speaking of it in a cold-blooded way; but my contention is that if we have had the proper machinery attached to our High Commissioner's office, or, in an office by itself in London, these orders would have come through that business office, and the Canadian manufacturer would have had the first opportunity to fill the orders; then if he could not do so it would be his own fault. The other day I referred to the many millions of dollars' worth of orders placed in the United States, and it is no secret that some orders have first gone to the United States and have then come back to Canada. If proper steps had been taken we would not have had so many unfinished shells in Canada. Russia, I am informed, has a surplus of time fuses, or did have a few weeks ago. They were getting shells in the United States to be fitted with these time fuses, while we in Canada, an ally of Russia, have to make the empty shells without the time fuses. With proper organization these two parts would have been brought together, and the Allies would have had several more millions of rounds of ammunition complete, and the Canadian manufacturer would have had the benefit.

Sir ROBERT BORDEN: Were these time fuses manufactured in Russia?

Mr. GRAHAM: I am not sure. They had them on hand but had not a supply of

shells equal to their supply of time fuses. That there is a lack of information my right hon. friend admits. Of course one cannot be surprised, if we take Mr. Winston Churchill as an authority, because some years ago he did not think much of us as a manufacturing country. He thought we had not land strong enough to put a fifty ton crane on, and that we could not build the crane anyway. That only shows that we have not given our friends the Allies the information they ought to have. The Prime Minister, I admit, went to the Old Land and placed the information before the War Office, and has done so by correspondence as well.

Sir ROBERT BORDEN: We had done it before that.

Mr. GRAHAM: There ought to be some machinery, outside of the Prime Minister of Canada, to carry on this business. It ought not to be left to the First Minister of this country to make a commercial agent of himself and to have to go to the Old Land to tell them what we can do in Canada. It is not the man who does all the work himself in an institution who makes the institution successful; sometimes he is wasting his time doing things that the hired man ought to do. It is the man who will surround himself with men of ability to organize, so that he only has to say what ought to be done and he has the machinery at his disposal for the carrying out of his orders. The Government should have organized, as quickly as possible after the outbreak of the war, an office, either in connection with Sir George Perley's office or by itself, which would have been an official medium between Canada and the Allies to furnish information as to what Canada could produce and how quickly she could produce it. Then, when orders came to Canada, as no doubt any of the Allies were willing to give orders to us, they would know that there was an office in London where they could apply and receive the proper information. I do not wish to unduly criticise, but, I believe that during the first few months of the war when munitions were so badly needed, Canada missed the opportunity of her life to put herself on the map as one of the chief manufacturing countries in the world. Many of our shops that were standing idle for reasons to which I need not refer, could have been kept running at full speed; and instead of Canadians going to Russia, France, and Great Britain, getting large orders and taking them to the United States, we would have had an organization in London to direct a portion of these orders which we could have handled, to our own manufacturers. Whatever mistakes have been made in the past, would it not be a good idea for the Canadian Government from now on to attach to our London office some machinery to look after the business interests of Canada, not only in war time but in peace time! We have commercial agents in different parts of the world, but it is not strong or harsh criticism to say that the system of commercial agents for Canada has not produced the results the manufacturers and agricultural interests of Canada hoped it would. Particularly in the heart of the British Empire, Canada ought to be known; her resources ought to be recognized. Her ability to produce on the farm and in the shop ought to be as well known in London as in Ottawa, or Montreal, or Toronto. That is not the case with manufactured goods alone. We have our tanners, our meat producers, our men who are arranging for the marketing of agricultural products. We have supplies of all kinds that could have been sent to the Allies; Russia, Italy, and France, as well as to Great Britain. My experience is that the people of Canada who produced these goods did not seem to have an adequate idea of how they were to get to that market and get at it quickly. There is no question that we can produce all these kinds of goods; and we ought, and we can, produce them as cheaply as they can across the line. If, after forty years of protection, our manufacturers cannot produce the goods then we have been on the wrong track all these years and ought to start some other way. But I take the ground, without wishing to discuss the fiscal policy, that the manufacturers of the Dominion of Canada to-day have shown in the completion of the orders which have been given to them, that they are equal to the manufacturers of the United States or any other part of the world, and that all they need is to be given the machinery by which they can get at the consumer. Then, they as producers can compete with any other producers in any part of the world.

Mr. W. H. BENNETT: After the war broke out a great deal was said in different magazines and newspapers as to the supplies that were going to the old country, and I am sure it will be gratifying to know that one-half the purchases made by Great

Britain have gone from Canada. That was the official statement made by the Prime Minister this afternoon.

Mr. MACDONALD: Oh no; it was not.

Sir ROBERT BORDEN: I said £100,000,000 of orders had gone to the United States and £48,000,000 to Canada up to the 1st of July.

Mr. BENNETT: Up to that time £100,000,000 from the United States and £48,000,000 from Canada.

Mr. GRAHAM: That would not be fifty per cent.

Mr. BENNETT: Was it to be assumed, in view of the fact that urgency was the whole crux of the situation, that the British Government would look to Canada for supplies when it must have been patent to the British Government that the great factories of the United States, producing material for one hundred million people, would be better able to supply their immediate wants than the factories of Canada, which were producing for only eight million people? A great deal has been said in the newspapers that has misled people. For instance, in a town in the riding of East Simcoe there is a concern that makes motor boats. A public journal said that huge orders were being given in the United States for the construction of motor boats. I was appplied to as the sitting member to see if I could not have an order placed with this concern. I got in touch with the Prime Minister's office. What were the facts? The facts were that the Schwab Company of the United States had received a contract amounting to many millions of dollars from the Allies, not for these motor boats alone, but for a variety of articles, including, I assume, munitions of war. Included in that order were some two hundred or three hundred motor boats. Had the newspapers gone a little further they would have found that these motor boats were being manufactured in Canada because this concern came over to Canada and placed the order in Montreal and Quebec—at least that is the information I received from that boat company in Penetanguishene. The hon. member from South Renfrew says the British Government would not know what we could produce in Canada. Why, Sir, the first contingent of the Canadian Expeditionary Forces were thoroughly equipped in Canada, and the British authorities must have known that they were equipped in Canada. They knew that the equipment had not been sent out here. The hon. member for South Renfrew complains that shells were not made in Canada in the first instance. He is a director of a company engaged in making shells, and if they knew that shells were needed why did not his company send over a representative to ask for orders. That is the fact, and hon. gentlemen opposite know it. When war broke out, the large concerns in the United States did what the Canadian manufacturers neglected to do; they dispatched their commercial travellers or agents to Great Britain to secure orders at the outset. Any hon. gentleman who has read the magazines or newspapers knows, that London was swarming with representatives of those large concerns at the beginning of the war, and that was how they secured their first orders. As I have already said, urgency was the first consideration, and it was natural to expect that the British Government would look to the larger field. The hon. member for South Renfrew said he had been informed, and I have no doubt it is true, that Canadians had placed orders in the United States; but he will not say that they were orders for clothing, meats, canned goods, or for a thousand other articles that I could name. He says that they were simply orders for munitions, and that was to be expected.

Mr. GRAHAM: One order was for shirts.

Sir ROBERT BORDEN: Was the order from the British Government?

Mr. GRAHAM: I did not say that.

Mr. W. H. BENNETT: I do not know what the position may be in the hon. member's riding, but I do not think there is any complaint in my riding that the manufacturers are not getting a fair share of the work. Not only were British orders placed in Canada, but French orders as well. I know that a large number of woollen mills, including one in my own town, were employed for months in making blankets for the French army, and that order was, I assume, secured through the High Commissioner's office, or through the Department of Trade and Commerce. There were also, I understand, large orders placed throughout Canada for all kinds of woollen goods, and the entire equipment of the Canadian Expeditionary Forces was made within Canada. Sir George Perley is known as a leading business man,

and, apart from his own business as a lumberman, he is well known as a director of a bank and of other concerns. I think most people in Canada who know him will be quite satisfied to have Sir George Perley as an agent in London representing the business interests of this country.

Sir ROBERT BORDEN: I think the orders placed in this country by the French Government are larger than is generally imagined. Up to last summer they had placed orders for 458,200 army blankets; 15,000 complete sets of saddlery, 15,000 supply blankets, 5,000 complete sets of saddlery, 5,000 supply blankets, 9 p.m. 20,000 sets of artillery harness, 20,000 long driving boots, 20,000 supply blankets. Then the Russian Government, I know, placed an order on one occasion for 20,000 sets of saddlery. I think there were other orders, but I cannot recall at the moment what they were.

Mr. PUGSLEY: What would the total amount of these orders be?

Sir ROBERT BORDEN: I really could not tell my hon. friend accurately; it would amount to several million dollars.

Mr. COPP: I notice that in reading the items supplied by Canada to the British Government, the Prime Minister referred particularly to harness and saddlery. Can he inform me whether any of these articles are being supplied by Canada now for the British Government; that is, harness, saddlery and things of that nature?

Sir ROBERT BORDEN: I cannot say whether there are any outstanding orders for the British Government.

Mr. COPP: Will the Prime Minister get the information and let me know; I have an inquiry on the point?

Sir ROBERT BORDEN: The Minister of Trade and Commerce is more intimately acquainted with these matters, but I will ascertain and let my hon. friend know. I am reminded by the hon. member for Frontenac (Mr. Edwards) that the Russian Government placed a considerable order for locomotives, and a large order for cars also. I hope that hon. gentlemen will realize that for those orders which have come to Canada, Sir George Perley is entitled to a great deal of credit, for he has worked very hard and assiduously to procure them through the representatives of the various governments, and also through the Foreign office. I do not think my hon. friend from South Renfrew was in the House when I stated that the staff of Sir George Perley was more efficient than some hon. gentlemen seemed to realize. I also stated that when I was in London I told Sir George Perley that we were prepared to give him any additions to his staff, or any organization that he might think was necessary; and he told me that he did not think that any additions were necessary then. Whether his judgment was mistaken in that regard I do not know, but I have a good deal of confidence in his judgment on such matters. My hon. friend from South Renfrew, rather deprecated the idea of the Prime Minister of this country taking up such matters. I do not agree with him in that at all, because I can assure him, from my knowledge of how those matters are dealt with on the other side, that it is of some importance to this country that the Prime Minister should show such an interest in matters of that kind as would bring them to the attention not only of the ministers but of the permanent officials of the British Government. I am thoroughly convinced that the efforts which have been made directly by myself in that regard have not been thrown away—I will not say more than that. My hon. friend can take my assurance that the labour has not all been in vain.

For supply of Canadian publications to Library of High Commissioner's Office, $1,000.

Mr. PUGSLEY: Now that we are getting down to business in connection with the Estimates, I would like to point out to my right hon. friend what seems to me to be a great anomaly in the Estimates which have been presented to the committee. These are supposed to be estimates of the requirements of the Government for the coming year, and as submitted to the House, they amount to $188,981,218.58. In the Budget speech, my hon. friend the Minister of Finance (Sir Thomas White) made the statement that the total estimated requirements of the coming year would be only $160,000,000, there being nearly $29,000,000 in these printed estimates beyond the amount which the Finance Minister said would be required for the coming year. Does my right hon. friend think he is treating Parliament right when he brings down printed estimates for the very large amount of nearly $30,000,000 more than the Finance Minister says will be required to carry on the public services? That is the first point which I make: these Estimates ought to be revised, and there should be submitted to this commit-

tee Estimates of the actual requirements for the coming year. If the Government should disagree with that view and decide that they will not revise the Estimates, it seems to me the committee should be given a statement of what amounts are to be deemed as struck out; otherwise, in the case of each of these thousands of items we shall have to inquire which amounts it is deemed unnecessary to expend, and which are put in the Estimates simply, shall I say, as a matter of form, or with a view to inducing people interested in the various constituencies to believe that Parliament has voted certain amounts to be expended, when it is not intended to spend these amounts at all. We are left completely in the dark, and I think at this early stage in the Estimates the information I have asked for should be given to the committee.

Sir ROBERT BORDEN: My hon. friend will bear in mind that the Estimates for last year were made up, to a considerable extent, on the basis of the year before, and that for reasons which are obvious a number of public works, for example, were not proceeded with although they had been sanctioned by Parliament two years ago, and would have been carried out had it not been for the war. These Estimates have been somewhat cut down again this year, but some items have been left in, with the understanding that it would not be wise while the war is going on to begin new works. On the other hand it seems undesirable to cut out items which have been sanctioned by Parliament on more than one occasion, and which would have been expended had the financial condition of the country permitted the work to be done with due regard for the necessary equilibrium, so far as it can be maintained, between revenue and expenditure.

Mr. PUGSLEY: I do not remember that any such statement was made to Parliament last year as has been made this year by the Minister of Finance. Ordinarily, the Government asks Parliament to vote amounts for public services which are deemed to be necessary in the public interest. If, by reason of changed conditions, or delay in getting the plans prepared, it is inconvenient to go on with any particular work, that, of course, is a reason for not making the expenditure. But it would appear from the statement of the Minister of Finance, which can be found on page 847 of Hansard, that these Estimates have been gone over very carefully, and that the Finance Minister has determined what items shall be proceeded with and what shall not be carried on for the present, for he has given a positive statement that the estimated expenditure will be only $160,000,000. It does seem to me that before we go through the farce of voting those moneys we should know how the Finance Minister arrives at that figure; we should know what makes up this $30,000,000. If some of these works are not to be gone on with, Parliament at another session will have to vote the money for such as it may then be decided to carry on, and we shall therefore be going through the farce of voting moneys that there is no intention of spending, and that there is therefore no reason for asking Parliament to vote. My right hon. friend says it would not be fair to strike these items out. Why not? If it is not intended to carry on these works—and the Minister of Finance must have deliberately resolved that some of these works shall not be carried on or he would not have made the definite statement he did to Parliament—the fact of our voting the money this year will not save the necessity of voting it at another session. Does my right hon. friend not see how unfair it is not to give this comittee the same information as the Finance Minister has, so that we may know what amounts it is seriously intended to spend during the coming year, and what amounts are put in the estimates simply that those interested may have the pleasure of reading them over and seeing what might have been under other circumstances and other conditions. It does seem to me a perfect farce to vote $30,000,000 of the people's money as being required for the coming year, when the Finance Minister in his budget speech told this Parliament that that $30,000,000 would not be expended. If the Government are determined to keep the estimates as they are, I submit that this committee has a right to be informed as to what items it is not intended to act upon.

Sir ROBERT BORDEN: As we come to the different items we can make explanation as to whether it is intended to proceed with them or not, but I hardly think that my hon. friend with his warm and sympathetic nature would deny to the people interested in some of these items the poor consolation of seeing an item continue in the estimates which has been approved by Parliament on more than one occasion. My hon. friend knows that the Government do

not propose to proceed with new public works during the continuance of the war. It is desirable, however, I think, that the items should remain in the estimates as they have already been voted more than once. For instance, it might happen that the war would be over before the money is voted again. We have no reason to believe at present that such will be the case, but it is a contingency which none of us can absolutely dismiss. I do not think there is any harm in permitting these estimates to stand, as the Government has already given the assurance that it does not intend to proceed with new works while the war continues.

Mr. PUGSLEY: I doubt very much whether not proceeding with new works will account for the large sum of $30,000,000. Does not my right hon. friend see——

The CHAIRMAN: I must say to the hon. member for St. John (Mr. Pugsley) that out of courtesy to him as an old parliamentarian, and in view of the fact that he wished to make his protest while the Prime Minister was present, I did not take objection to his course. I must say, however, that the hon. gentleman is out of order, and if he purposes to continue, I must respectfully call his attention to subsection 5, of rule 13:

> Speeches in Committee of the Whole must be strictly relevant to the item or clause under consideration.

Mr. PUGSLEY: I will make it strictly relevant to the item under discussion. As you will see, item 309 is to provide "For supply of Canadian publications to Library of High Commissioner's Office." I have a right to know whether this is one of the items that it is intended to expend; therefore I am quite in order in the remarks I have to make. Does not my right hon. friend see that if we have to ask questions on all items that go to make up this enormous sum of $30,000,000, it will take us weeks to get the information? If my right hon. friend thinks these items should be left in the Estimates, surely he will not think it unreasonable that there should be a statement prepared of the items which it is not proposed to expend.

Sir ROBERT BORDEN: I will bring the observations of my hon. friend to the attention of the Minister of Finance. I understand that this particular item will be expended.

Mr. PUGSLEY: This is not a large amount, but it is by the thousand and one such items in these Estimates that this $30,000,000 is arrived at. At such a time as this we might very well defer the buying of new books for the library of the High Commissioner's office. If the High Commissioner and his staff do their duty, they will be devoting their attention to matters connected with the war, and they will not have much time to read the books in the library, so that they will not require much of this additional expenditure of $1,000. I take it that this library is merely for the use of the officials of the High Commissioner's office and not for the use of the public. I fail to understand why $1,000 should be expended at this time when money is so urgently required for other purposes.

Sir ROBERT BORDEN: If my hon. friend will confer with the hon. gentleman just behind him (Mr. Macdonald), he will understand that it is very important for the officials of the High Commissioner's office to make themselves thoroughly acquainted with the capabilities of Canadian industries from day to day and to know the progress of the business affairs of this country.

Mr. GRAHAM: They can get that information in Government returns.

Sir ROBERT BORDEN: My hon. friend will realize the great importance, at this particular time, of the officials of the High Commissioner's office keeping themselves thoroughly informed of what is going on in this country.

Mr. OLIVER: In regard to the advisability of keeping items standing in the Estimates because they were voted in good faith some years before, if we are to appreciate the statement made by the Minister of Finance in his Budget speech, we must realize that we are facing new conditions in regard to matters of finance, and that the conditions that prevailed two years ago when these items were voted, will never again prevail. We are already shouldering burdens that were never contemplated at that time, and we certainly shall have to shoulder still greater burdens. I think we hardly appreciate the tremendous change that has occurred in our financial situation, when we keep in the Estimates from year to year items that were originally voted under very different circumstances.

Sir ROBERT BORDEN: I will bring my hon. friend's observations to the attention of the Minister of Finance.

To provide for the publication of the second edition of Constitutional Documents relating to Canada, vol. 1, 1759 to 1791, $5,000.

Mr. PUGSLEY: My right hon. friend will surely admit that if there is any item included in this $30,000,000 in regard to which we may fairly assume that the expenditure cannot be deemed urgent, this is one. Is it proposed to spend this money?

Sir ROBERT BORDEN: It is proposed to expend this money for the reason that the previous edition is altogether exhausted, and we have received innumerable demands from judges of the courts and others in all parts of Canada, and from other countries, for further supplies of this book. It is a very important publication, and of a character such as is published by nearly every civilized country in the world. Commendations of the work have been received from time to time from important bodies in nearly every European country, and in the United States. The book is said to be urgently required in Canada for many purposes. I have had many personal letters on the subject, and, after a good deal of consideration, the Government thought that the demand for this book and its usefulness were such as to justify us in asking for the moderate sum of $5,000 in order that a second edition might be published.

Mr. PUGSLEY: The Prime Minister will see that it is an entirely new item.

Sir ROBERT BORDEN: Oh, yes; it is an absolutely new item for the second edition of the book.

Mr. McKENZIE: Can the Prime Minister tell us whether or not this is the book which an agent was endeavouring to sell in my province last summer? This agent represented himself as being connected with the Archives, and as co-operating with the gentleman whom I understand to be at the head of the Archives, and he said that the book was highly recommended by the Government. The book—from its name—pretended to publish constitutional documents and documents in the Archives that were never published before. Perhaps this is not the same book as is mentioned in this item, but I wish to bring to the notice of the Government that the publication I refer to is regarded as a huge fraud; it consists of sixteen volumes which are sold at $4 each. I am not speaking personally as having been hurt in any way in connection with this book, because I did not subscribe to it, but clergymen and other respectable people in my community came to me and said that the book was a great fraud upon the public, and that this agent had said that he was an agent of the Government, and was encouraged by the Government to sell this book, and he also had the names of some reputable men in this country. I take it for granted that this is not the same publication, but I take this opportunity of pointing out that this agent, whose name I now forget, represented himself as being connected with the Archives as receiving the assistance and co-operation of the gentleman at the head of the Archives, and as selling the book under the supervision and authority of the Government. Those who have received the volumes are very much disappointed, and they think that there is nothing new about them at all, and that the public should be warned against this agent.

Sir ROBERT BORDEN: The book mentioned in the item consists simply of one volume of Constitutional Documents. There is a publication—I will not go into the merits of it—called the Resources of Canada, or something like that, in a large number of volumes, but the Government has absolutely nothing to do with that work. If my hon. friend will send me the name of the agent who represented himself as acting for the Government, it will be my duty to make some inquiry into the matter.

Mr. McKENZIE: I want it distinctly understood that I did not mean to say that he was acting for the Government, but that he said he had the approval and commendation of the Government. That was about all he said.

Sir ROBERT BORDEN: I am not aware personally that the Government had ever expressed any opinion about this work one way or the other. I would not understand it was the duty of the Government to make any comment upon it.

Mr. McKENZIE: Can the Prime Minister tell us who is publishing this work?

Sir ROBERT BORDEN: The book referred to in this item was got out under the former Administration. I think Dr. Shortt compiled the volumes almost entirely, with some assistance from Dr. Doughty.

To provide for the expenses of the Conservation Commission, $80,000.

Mr. PUGSLEY: Is it expected to expend the whole of this money?

Sir ROBERT BORDEN: Yes, I understand it is necessary to expend the whole amount. The hon. gentleman will observe that there is a reduction in the Estimate this year of $13,000.

Mr. PUGSLEY: It seems to be a large amount to be spent in one year. Perhaps the Prime Minister would give us some items of the expenditure of last year.

Sir ROBERT BORDEN: They are all in the Auditor General's Report.

Mr. PUGSLEY: Then I need not trouble the right hon. gentleman.

Mr. OLIVER: I desire to ask a question in regard to the authority of this commission. An order has been issued to compel the Canadian Pacific Railway and the Grand Trunk Pacific Railway to use crude petroleum for firing on their locomotives in British Columbia. Is that order issued under the authority of the Conservation Commission or is it by the Government on the advice of that commission?

Sir ROBERT BORDEN: The Conservation Commission have taken a great interest in preventing forest fires caused by sparks from locomotives. They make representations to the Board of Railway Commissioners and the Board of Railway Commissioners issue the orders. If I am not mistaken there was an arrangement between the Board of Railway Commissioners and the Conservation Commission to bear jointly the expense of some investigation on that subject. I have not the details clear in my mind, but I remember that I have conferred with the chairman of these commissions and the Minister of Railways and Canals on the subject.

Mr. OLIVER: Recently the Canadian Northern railway has opened a line across British Columbia. Will it be compelled to install oil-burning appliances on its locomotives also?

Sir ROBERT BORDEN: I could not give an answer off hand, but I shall make inquiries and let the hon. gentleman know. These matters do not ordinarily come before me, but sometimes I have a representation from one or other of these bodies asking me to take some action, or to give particular attention to some subject that is regarded as urgent.

Mr. OLIVER: It would be an anomaly, of course, if the Canadian Pacific railway and the Grand Trunk Pacific railway are compelled to use oil and the Canadian Northern is not so compelled, because for some considerable distance west of the summit of the Rockies the Grand Trunk Pacific and the Canadian Northern run alongside each other within a few yards. But I take this opportunity to say that this order of the Railway Commission, even if based on the recommendation of the Conservation Commission, does not enjoy any large measure of favour in the minds of the people of Alberta, where they have a superabundance of coal which they are anxious to have used. The fact is that this order has been a stunning blow to the coal-mining industry of Alberta. It appears to me that the order was given, perhaps, with hardly a full appreciation of the industrial consequences to result from the importation of California oil to take the place, as a motive power, of Alberta coal. And while it is necessary, of course, that the forests should be conserved from fire, it does seem to me that some other means of protecting the forest from fire from locomotives might surely have been discovered by the Conservation Commission rather than a means which transfers such an important part of the industry of Alberta to the oil fields of Southern California.

Sir ROBERT BORDEN: I will direct the attention of the Board of Railway Commissioners to the observations of my hon. friend. In stating what I have stated about it, I speak, not so much from personal knowledge as from a recollection of the fact that the Conservation commission drew my attention to the matter. I am not sure of the representations they made, but I know that they were greatly interested in the subject.

Mr. GRAHAM: I am not sure that the Board of Railway Commissioners made that order; I am not sure they did not, although I have some doubt about it.

Sir ROBERT BORDEN: I was only suggesting that if the order was made I feel quite sure the Conservation Commission did not make it, because that commission would have no jurisdiction.

Mr. GRAHAM: Some years ago, when the question of better protection of the forest. Not only along railways in operation but along lines of construction, was under discussion, shortly after the formation of the

Conservation Commission, the chairman of that body, the then chairman of the Railway Board, the representatives of the railways interested held a conference in the office of the Minister of Railways of that time and expressed their views strongly as to what should be done for the protection of forests along railways built or under construction. Also, the Department of the Interior had certain methods of dealing with timber lands in their charge. The result of it all, was if I remember well, that certain amendments to the Railway Act were drawn up and submitted for the joint approval of those interested. And under that amendment powers were given to the Board of Railway Commissioners which were very wide in reference to the protection of forests. I think that if orders have been given in this case it would be under those amendments to the Railway Act. And I have been told that the two railways, of their own accord, had begun to use oil as a fuel, although I am not sure. It is also very well known that the Imperial Oil Company, which is the Canadian branch of the Standard Oil Company, is establishing a distribution plant in the West, for the purpose, I suppose, of meeting that demand. It may be somewhat hard on the coal producers of Alberta and British Columbia if the large consumers of coal use oil. Is the chief of the medical staff of the Conservation Commission across the ocean at present?

Sir ROBERT BORDEN: Yes, he is in charge of the Red Cross work.

Mr. GRAHAM: Is he still connected with the Conservation Commission?

Sir ROBERT BORDEN: It was suggested by the Red Cross Association that his services might be utilized in connection with Red Cross work. The chairman of the commission was consulted and he gave it as his opinion that leave of absence might be granted to Dr. Hodgetts without detriment to the public interest.

Mr. GRAHAM: That gives rise to the question as to whether the Government intends to create a new portfolio in the Cabinet, to be taken charge of by a medical man. Some months ago I had the pleasure of listening to a remarkable address by a young Canadian woman now resident in the city of Rochester. They have established in that city a "Live a Little Longer" association, the object of which is to give instruction in first aid. The public school buildings are utilized for the purpose of holding and giving instruction. Lectures are given by physicians; practical demonstrations are made by physicians and nurses as to how to treat every sickness in its incipient stage. Medical men assert that many deaths could be averted if those in attendance upon the sick person knew immediately what to do. Sometimes a few moments delay in getting a physician means death, while prompt action may save life. In Rochester valuable information in this connection is being carried right into the homes. Mothers are being instructed as to the symptoms of the diseases to which little children are subject, and how to deal with them instantly in order to protect these little lives until professional aid arrives.

Sir ROBERT BORDEN: Is the instruction given to the parents?

Mr. GRAHAM: The mothers go to the schools and receive instruction. As evidence of the fact that this work proves to be of practical value, I may point out that this young woman was asked to deliver this address at a meeting of the presidents of the life insurance companies of America. The heads of these great institutions believed that the information to be gained from this young woman's experience would be of actual financial benefit to their companies; they printed many thousand copies of the address and sent them all over the United States. I think it would be worth while bringing this matter to the attention of the Conservation Commission with a view to seeing whether we in Canada could not undertake that kind of work. I wrote the Chairman of the Conservation Commission, and sent him a copy of the address. He seemed impressed with the idea, but unfortunately the war broke out. Dr. Hodgetts was called away, and I suppose the matter was crowded out from the attention of the commission. It ought to be considered whether we in Canada cannot, perhaps at first in a small way, and with little or no expense, using for the purpose our public school buildings which are unoccupied during the greater part of the day, establish courses or classes of instruction along this line. If we should do so, I believe the benefit to the people and to the country as a whole would be marvellous.

Mr. McKENZIE: Does the Conservation Commission give attention to the conserving of forests in the provinces, or do they

confine their operations entirely to Dominion lands?

Sir ROBERT BORDEN: They interest themselves in the preservation of all forests.

Mr. McKENZIE: In Nova Scotia it is the practice of lumbermen to take leases of large tracts of timber lands, from which they cut the best of the timber, leaving scattered throughout the woods the tops, limbs and other parts of the trees that they do not want. The result is that forest fires occur in different parts of the province, causing immense loss. These men should be compelled to clear away or burn the rubbish and brush that is left after they have finished cutting, or dispose of it in such a way as to guard against fires. In Nova Scotia I do not think that any person takes special interest in that sort of thing. The Conservation Commission might co-operate with the Government of Nova Scotia or with their own officials in that province with a view to averting this danger.

Sir ROBERT BORDEN: The Conservation Commission have no administrative power in such matters. The only authority that would have the power would be the provincial authority, which could make regulations in connection with the leases, such as are made in a number of provinces, requiring the cutting to be done in a particular way and the dangerous material to be cleared up.

Mr. OLIVER: The duties of this commission are educative and advisory, not administrative. In view of the results to the province of Alberta of their advice up to date, I would be willing to agree to even a greater cut in the Estimates than has already been made. If the Prime Minister or the Minister of Finance should see fit to reduce the amount, I think the province of Alberta, at any rate, would submit with equanimity to the suggestion.

Cost of proceedings before the International Joint Commission, $10,000.

Mr. PUGSLEY: Will this be expended?

Sir ROBERT BORDEN: I think it probably will be. There are some important inquiries to be made, and the Government has to be represented sometimes by counsel and sometimes by experts.

Mr. PUGSLEY: I think this is one of the most important courts in the country, because it has to deal with international questions arising between Canada and the United States, and it has already settled some very important questions. The very fact that there is a tribunal of this character to which may be referred all disputes with regard to rights upon boundary waters, with regard to the erection of piers abutting on either one side or the other of boundary waters, with regard to the use of water for irrigation, and all those intricate questions which necessarily arise as to the use of waters having their origin on one side or other of the boundary line, and which are of such enormous importance, will go a long way towards preserving amicable relations between the United States and Canada. Therefore, I think that the court is a very important one, and everything ought to be done to make it thoroughly respected by the people of both countries, so that its judgments will carry weight with the people of both the United States and Canada. As Minister of Public Works in the late Government, I had a good deal to do with the formation of this court, as it came within the jurisdiction of the Department of Public Works. My own idea, and, I am satisfied, this was the idea of the Government of which I was a member, was that the tribunal should consist of eminent lawyers who would devote their entire attention to the work of the Commission. We started in that way. The Canadian Government appointed three lawyers, and the United States Government appointed three lawyers also. I impressed upon the gentlemen appointed on behalf of Canada that they would be expected to give up their professional work and to devote their entire attention to the work of this international tribunal. As my right hon. friend knows, a change of Government took place shortly after the appointments had been made by the Canadian Government, but before they were actually ratified by the Imperial Government. New appointments were made and a departure was made from the idea which we had. One gentleman on the Board is a layman, a very excellent man indeed, but still one who has not had any experience or training which would enable him to determine legal questions. In matters relating to rights of irrigation, and, perhaps, many other questions, he would be valuable as an expert to be attached to the Commission. The United States Government, I believe, has followed the course which this Government has adopted, and has not been careful to appoint only lawyers of eminence to the Commission. Gentlemen of the Commission

who are lawyers are constantly engaged in the practice of their profession, and I think it is not at all worthy of that court that gentlemen who are members of it should be engaged in hearing these questions of enormous importance affecting the interests of the two nations one week, and the next week be trying small cases in a county court, or in the Supreme Court of one of the provinces. If the salary is not large enough to induce them to give all their time to the work of this Commission, it ought to be increased. I believe, too, that the position ought to be a permanent one. It is now for ten years, but, of course, there might be a change in the personnel with a change of Government, if a new Government were to follow the procedure set by this Government. I remember my hon. friend the Minister of Trade and Commerce, when a criticism was made of the cancellation of the previous appointments, made the defence that the members of the Commission ought to be in touch with the Government of the day. I take an entirely different view from that. To ensure for the decisions of this court the respect and the confidence of both countries, it ought to be recognized that it is an International court, that it is not subject to be influenced by the Government of either country, and that all questions that come before it will be decided according to the principles of right and justice, irrespective of the wishes of the Government which happens to appoint either one or the other branch of the tribunal. I should think the tribunal ought to be of a permanent character, and the gentlemen who comprise it ought to devote their entire attention to the very important work which they have to perform. It may be that the salaries are not large enough, but I think the Government ought to consider whether it would not be well to fix the salaries at such an amount as would ensure the giving by the members of that court, so far as Canada is concerned, all their attention to the work of the tribunal. I have very little doubt that if the Canadian Government were to adopt that course the Government of the United States would follow suit. The questions which may be referred to this tribunal are of enormous importance. There may be referred to it questions which either Government may desire to have referred to it, and also, by the joint desire of the two Governments, all questions, not merely boundary disputes, but all questions of every nature and kind which may arise affecting the relations between Canada and the United States. One has only to mention the important subjects which will come before it to realize of what vast importance this court is and how much it may accomplish in the future towards preserving amicable relations between these two countries.

Sir ROBERT BORDEN: I entirely agree with my hon. friend as to the importance of this tribunal; indeed, I took occasion, when speaking in New York not long ago, to emphasize the very great importance of the work it had accomplished. It has brought about in a very quiet may, and with no loss of time, the settlement of many disputes which it might have taken a very long time to settle by diplomatic methods, and which might not have been settled by diplomatic methods in the same satisfactory manner as has characterized the work of this tribunal. So far as the appointment of commissioners is concerned, those representing Canada consist of two very eminent members of the legal profession, and the gentleman to whom my hon. friend from St. John has made allusion. I think the latter gentleman practically gives the whole of his time to the work of the Commission, and he is a man of a thoroughly judicial type, although not a lawyer. I do not believe that any member of the Commission, on either side, has given better service than that gentleman has given during the time he has been a member of the Commission. I am not so fully acquainted with the members appointed by the United States, but I do know that Mr. Tawney, who is, I think, chairman of the United States Commission, is a very eminent lawyer, a man who has taken a distinguished place at the bar of his State, and is regarded as a leader in his profession.

With respect to the point which my hon. freind has raised, that the members of the legal profession, who are members of the Canadian Commission, do not devote the whole of their time to the work, and engage in private practice, I may say the stipulation made with them when they undertook the work was that their duties as members of the Commission were to be considered as paramount and as having precedence over any work in the private practice of their profession. If I remember correctly, and I think I have a fairly correct remembrance of the matter, we followed in that regard the same instructions as were given to the gentlemen whom the late Administration proposed to appoint. I think

I have a pretty distinct recollection.—I am not going to state it positively—that before writing to those gentlemen on the subject, I examined a letter or was made acquainted with a communication from the right hon. the leader of the Opposition at that time the Prime Minister, and that he laid down precisely the same principle to be observed by them in the performance of their duties. My hon. friend seems to have formed a different impression. I shall be glad to refresh my memory on the point, and we could let the item stand. I know that I had in mind to follow the same course as was laid down in some communication by the then Prime Minister to the gentlemen whom he proposed to recommend, and whom he did recommend, to the British Government as suitable commissioners to represent Canada.

Mr. PUGSLEY: I had more especially in my memory the conversation I had with Mr. Barnhill, whom I gave to understand distinctly that he was expected to devote all his time to the work of the commission, and that he would have to remove his residence to Ottawa. Possibly my right hon. friend the leader of the Opposition, then the Prime Minister, might have taken a different view, but at all events, that is the view I formed at that time.

Sir ROBERT BORDEN: I do not make the assertion positively, but I have a distinct recollection that we followed the same course in that regard as was proposed by the late Government. Of course, as my hon. friend has already mentioned, and as I would like to emphasize, we could hardly expect a leading member of the bar in any province in Canada to give his whole time to this work for the remuneration that is granted, which is I think $7,500. The leading men of the bar, I think in every province, are in receipt of much larger incomes than that. The remuneration of the Commissioners is less than the salary of a judge of some courts, and the appointment is only temporary. They cannot be assured that the treaty will be continued beyond the ten or eleven years mentioned, and they do not enjoy, as a judge does, any provision by way of pension, even if they were to remain commissioners for thirty years.

Mr. GRAHAM: They are no worse off than Cabinet Ministers.

Sir ROBERT BORDEN: If Parliament desires to get the best men for the work, and the best men we can get are none too good for a tribunal of this kind, and if it expects them to devote the whole of their time to the work of the Commission, I think it would be necessary to increase very largely the remuneration which is now provided by law for the Commissioners.

To assist in suppression of the white slave traffic, $10,000.

Mr. PUGSLEY: Was the vote all expended during the past year?

Sir ROBERT BORDEN: I cannot say, but we could let the item stand, and I shall ascertain.

Mr. PUGSLEY: This might be one of the items which the Minister of Finance had in mind to strike out.

Sir ROBERT BORDEN: I am not sure it was expended, but I have not examined the Auditor General's report.

Mr. OLIVER: Under what authority is this expenditure made?

Sir ROBERT BORDEN: It is under the charge of Colonel Sherwood, the Commissioner of Dominion Police, who has his agents and representatives in different parts of the country.

Mr. GRAHAM: Has the Minister of Justice anything to do with the administration of the fund? There must be some judicial action in some of those cases, and I would like to know whether that lies with the Minister of Justice or with the provincial authorities.

10 p.m.

Sir ROBERT BORDEN: I imagine that the agents and representatives of Colonel Sherwood would lay information for any offence against the law, and then procedings would be carried on under the provincial authorities. Doubtless Colonel Sherwood and his agents and representatives would see to it that the evidence was forthcoming.

Mr. GRAHAM: It would be interesting to know how many convictions were obtained under this machinery during the past year.

Sir ROBERT BORDEN: I will get a report from Colonel Sherwood. Of course my hon. friend will bear in mind that the object is not merely to punish offences, but to prevent their commission; and really, I think the energies of Colonel Sherwood and those whom he employs for this purpose are chiefly directed to the latter consideration.

I shall be very glad to let the item stand until we get a report.

Mr. GRAHAM: I agree that an ounce of prevention is worth a pound of cure. I think it would be interesting to know just what has been done.

Mr. OLIVER: I should also like to know whether there is any lack of co-operation on the part of the authorities of any province.

Sir ROBERT BORDEN: I did not expect to go on with these Estimates, or I should have had a report from Colonel Sherwood before me. We shall let the item stand.

Amount required to pay Consular offices abroad for services, $500.

Sir ROBERT BORDEN: It occasionally happens that we require some special services from a British consular agent—services that we could hardly call upon him to undertake without recognizing them in some way. A small grant for this purpose has been placed in the Estimates for the last two or three years.

Salaries and expenses of the Paris Agency, $28,000.

Mr. GRAHAM: I do not want to repeat the discussion we had with reference to the High Commissioner's office, but I should like to ask whether the Paris offices are conveniently situated, and whether they are all together. The last time I was in Paris they were in separate places, but our agent was preparing to get new offices.

Sir ROBERT BORDEN: The offices now are very convenient and, I think, all together. They are entirely suitable, and are visited by a great many Canadians; at least, that was the case before the war. I was in the offices in 1912, and again last summer. When my hon. friend visits Paris again, I am sure that he will be pleased with the offices and come to the conclusion that the establishment there is creditable to Canada.

Mr. GRAHAM: At the present time we stand in a closer relationship to France and will probably continue to do so than ever before. Our treaty with France, entered into during times of peace, has I believe shown excellent results and we were just beginning to experience the benefits of that treaty when war broke out. It is a matter of general comment that when the war is over, there will be a closer trade relationship between the Allies and that may mean there will be a greater distance between the Allies and those opposed to them. I wish to direct the attention of the Government and the country to the fact that after the war our relations with the countries who are now our Allies will be on a different footing from what they have ever been before. From what the Prime Minister has said, I believe that we have comfortable and commodious offices in Paris. Naturally, we expect that when the war ends our trade with France will increase; for after the experience of the two countries, standing side by side facing a common enemy, when in days gone by they were facing each other, I cannot conceive how it could be otherwise than that great trade results will accrue to both countries. Whatever else we may do, I think we should not neglect to keep our machinery in France for trade information and trade increase up to the minute, so that every opportunity that presents itself may be taken advantage of without waiting; and we must remember that trade cannot easily be compelled to go in any certain direction. The feeling now between the Allies is that we should be friendly in business, as in everything else. If that spirit is taken advantage of and the business clinched (if I may use the term) at the opportune time, Canada will reap a rich reward financially and industrially in the years to come, and any reasonable expenditure along that line will, I believe, meet with the unanimous approval of the people of this country.

Sir ROBERT BORDEN: I think Mr. Roy has had these matters before his mind during the last eighteen months. We find him efficient and indefatigable, doing everything within his power under present conditions to promote trade between this country and France, and particularly to promote the placing of orders in this country for supplies required by the French Government.

Pension to J. B. Allan, $450.

Mr. PUGSLEY: What is that for?

Sir ROBERT BORDEN: Mr. J. B. Allan was a member of the Royal Northwest Mounted Police who was rendered unfit for further service owing to a gunshot wound which he received while endeavouring to effect the capture of an escaped Indian prisoner called Almighty Voice.

Civil Government—administration of justice —salaries, $146,224.37.

Mr. MACDONALD: What is the explanation of the increase of $4,075.62?

Mr. DOHERTY: The increase is attributable to statutory increases and to provision for one additional messenger.

Mr. GRAHAM: The first item in this is the deputy minister's salary, $10,000. Will the minister explain why his deputy gets $10,000?

Mr. DOHERTY: This is the third year that this salary of $10,000 has been provided. It was considered that my deputy earned this salary. Any one who is familiar with the remuneration ordinarily received by a lawyer of the standing in his profession of Mr. Newcombe, giving his entire time and services, will readily recognize that the amount allowed here to him is fully justified. I hardly think that we could expect to get the services of a man like Mr. Newcombe for less.

Mr. PUGSLEY: The minister in his Estimates is asking for $4,075.62 more than last year. Is it intended to expend this amount, or will it form part of the $30,000,000 not to be used?

Mr. DOHERTY: The increase is attributable to statutory increases and to provision for one additional messenger, so that I have no doubt it will be spent. I think the gentlemen will collect their statutory increases.

Mr. GRAHAM: The minister understands readily that the staff of his department has been increased very materially since he became minister, not in the lower grades, but by good strong men. I think the Solicitor General works pretty hard. He has been made a member of the Government so that, as a matter of fact, the Department of Justice has now two members of the Government. I do not suppose this one gentleman is deputy to these two members. If he were, I could see why he should receive more than another deputy, but I presume he is the deputy only of the Minister of Justice and not of the Solicitor General. The Government will have to adopt one of two principles in reference to deputies. I am not criticising the very able gentleman who is Deputy Minister of Justice; I agree with a good deal of what the minister has said, but this question of the salaries of deputies has always been a trouble with Governments and it is getting chronic. It started in easily. My hon. friend the Minister of Public Works has a deputy; the Minister of Marine and Fisheries has a deputy; the Minister of Justice has a deputy; the Minister of Railways has a deputy. You cannot convince these deputies that they are not working just as hard as men can work. The ministers must find it a little difficult every time they are making up their Estimates to have one deputy getting $10,000, another $8,000, another $7,000, while the statute says $5,000.

Mr. CROTHERS: You gave us a bad example in your time.

Mr. GRAHAM: When I was Minister of Railways I had a gentleman who was Chief Engineer and deputy, and he got not quite but approximately the salary of both, because he occupied the dual position. When he left the department and two officers were appointed, they were put on the statutory basis, and the Deputy Minister of Railways got $5,000, the amount named in the statute. There is a difficulty which is not easy to settle. Possibly the solution might be found in following the course which has been taken in Great Britain, where even ministers' salaries differ according to the labour they perform. I would not like to go through this Government and pick out the ministers who should get more, though that would be more popular than to pick out those who should get less. But there certainly is a difference in the labour performed by the heads of the departments, though it should be remembered that each head of a department has joint responsibility as a member of the Government, a responsibility which the deputy minister does not bear. There is no question that the responsibility of deputies, as well as the work they have to perform, varies. The statute which fixes $5,000 as the salary for each deputy is honoured in the breach every year. I think it should be understood that the harder-worked deputy ministers will be paid more and the statute fixing the deputy's salary at $5,000 might well be wiped out.

Mr. HAZEN: The statutes give some deputies $5,000 and some deputies $6,000.

Mr. GRAHAM: Of course, the whole thing is statutory, because these Estimates are put in the form of an Act of Parliament, but I mean the salaries fixed under the Civil Service Act.

Mr. HAZEN: The salaries of the deputies are fixed by statute. For instance, the

Naval Department—the statute provides that there shall be a deputy minister, whose salary shall be $6,000 a year. And I think the same is true of some other departments. I have the two departments under my charge and the salary of the deputy of one is fixed at $6,000 and of the other at 5,000.

Mr. GRAHAM: I think that the Naval Service Act is a case where the salary was "slipped over," because a deputy with technical knowledge was required. But every year we are over-riding the Civil Service Act by these estimates, and I think the time has arrived when statutes ought to be passed fixing the salaries of deputies in the several departments. Then, the man appointed to the position would know exactly what he is to receive, and there would not be this friction and discussion every year.

Mr. ROGERS: There is no violation of the statutes by the passage of the Estimates; and the amounts here are the same as last year.

Mr. GRAHAM: Yes, and the same as the year before. But the fact remains that we have a general statute declaring that the salaries of deputies shall be $5,000, and to that we make exceptions every year. It might cause a little friction at first to have the matter understood and fixed, but it would be better in the end.

Mr. PUGSLEY: I presume that nearly all the employees of the department are lawyers?

Mr. DOHERTY: The lawyers in the department are: Mr. Newcombe, Mr. Edwards, Mr. Chisholm, Mr. Coté, Mr. Bill, Mr. McGillivray, and Mr. Plaxton, Mr. Beauchesne has just left us.

Mr. PUGSLEY: Under Item 316 of these Estimates there is an appropriation of $13,000 for "expenses of litigated matters conducted within the Department of Justice." Does this money go to these gentlemen beyond their salaries?

Mr. DOHERTY: This is for necessary expenditure in this litigation. You have to print your factums, you have to pay such disbursements as the court requires, and so on. This is an item that has been voted year after year. The expenditure under it last year was $5,997.60, and the year before that $6,665.47. The amount varies necessarily year by year, and it is not possible to estimate it with accuracy in advance.

Mr. PUGSLEY: Would this include lists of costs that might be made up and taxed, or would it be limited to amounts paid for printing and so on?

Mr. DOHERTY: It is for expenses of litigation conducted in the department. The amount expended would indicate that it is not used to pay fees.

Mr. PUGSLEY: Suppose a suit is carried on by the Department of Justice; there will be solicitors' costs of say, $500; and these are incurred in the performance of work by the officials of the department. Would that be paid out of this item of $13,000?

Mr. DOHERTY: If the work is carried on by an official of the department we do not pay him solicitors' fees.

Mr. PUGSLEY: This is for disbursements?

Mr. DOHERTY: Yes.

Mr. KYTE: The report of the Auditor General, Volume IV, page 4, shows three items charged by the Justice Department as fees paid to lawyers for the preparation of legislation, as follows:

Preparation of Legislation ($1,570.50.)
Lafleur, E., Montreal, hotel expenses at Ottawa.....$109.40
O'Connor, W. F., Halifax, services 17 d. at $40; travelling expenses, $131.10. 811.10
Surveyer, E. Fabre, Montreal; services 15 d. at $40; travelling expenses $50. 650.00

In view of the statement made by the minister that he has eight lawyers in the department, and considering also that we have a Solicitor General, and a Parliamentary counsel, with two legal assistants, one would imagine that sufficient legal knowledge would be found in the combined staffs of the Minister of Justice and the House of Commons to make it unnecessary to go all the way to Halifax to obtain the services of a lawyer—who, apparently, was brought up here—at $40 a day, and also two lawyers in the city of Montreal.

Mr. DOHERTY: The item that the hon. gentleman refers to arose in connection with the examination of a large number of questions which it became necessary especially to look into just at the time of the outbreak of war, and these gentlemen's services were retained for that work. At that time Mr. Newcombe, the Deputy Minister, was in attendance before the Privy

Council. In considering Mr. Newcombe's salary, it ought to be borne in mind that he represents this Government before the Privy Council; if we had to employ special counsel to do that important work, the cost in a year would exceed Mr. Newcombe's salary by quite a substantial amount. But in regard to the particular matter that the hon. gentleman speaks of, it was considered that the importance of the questions to be dealt with and the research to be made necessitated this extra assistance, and the three gentlemen named were employed for that purpose. It is but paying them a fair tribute to say that their services were most valuable.

Mr. KYTE: Where was this work done?

Mr. DOHERTY: In Ottawa.

Mr. KYTE: The gentleman from Halifax who took part in this work is a very capable professional man; I find no fault on that score. But the department would have saved his travelling and hotel expenses if they had secured the services of a lawyer in Ottawa instead of sending to Halifax.

Mr. DOHERTY: This gentleman had done work of a somewhat similar nature, and we felt that he was thoroughly suitable to undertake this particular work. As he was available, we did not feel that we should be deterred from obtaining his services simply by the expense of his coming from Halifax to Ottawa.

Mr. MACDONALD: I notice that during the interim between the last session and the present session, the Solicitor General has become a member of the Privy Council. Is it the intention of the Government to introduce legislation to amend the statute by providing that the person filling the office of Solicitor General shall be ex-officio a member of the Privy Council?

Mr. DOHERTY: Not that I am aware of. As I understand the matter, the position of solicitor general remains precisely what it was. Hon. Arthur Meighen has become a member of the Privy Council, but the position of Solicitor General in itself has not been altered; his appointment to the Privy Council does not necessarily involve the Solicitor General ex officio being a member of the Cabinet.

Mr. MACDONALD: I understand, then, that the Solicitor General has been made, in persona, a member of the Privy Council, and that no legislation affecting the Solicitor General in this respect will be introduced.

Mr. DOHERTY: I do not think any is contemplated at this time; as to what may be done in the future, I am not in a position to say.

Mr. MACDONALD: I regard Mr. Newcombe as one of the ablest men in the Dominion, and I think he performs his duties with satisfaction to the country. I should like to know what is the status of the Solicitor General in the Department of Justice.

Mr. DOHERTY: The statute governing the office of Solicitor General does not, I think, go further than to say that the Solicitor General shall perform such duties in connection with the Department of Justice as may be assigned to him.

Mr. MACDONALD: Has the Solicitor General done any court work during the past year on behalf of the Government?

Mr. DOHERTY: He has appeared for the Government in quite a number of cases since he took office—whether within the last twelve months I should not like to say positively offhand.

Mr. MACDONALD: I understand that the duties of court work, so far as the Department of Justice is concerned, are performed largely by the deputy minister. Has the Solicitor General devoted any special attention to court work?

Mr. DOHERTY: He has devoted attention to certain cases; whether it would be called special attention I would not undertake to say. Up to the present time cases that have gone to Privy Council and cases heard before the Supreme Court have, as a rule, been handled by the deputy minister.

Expenses of litigated matters conducted within the Department of Justice, $13,000.

Mr. GRAHAM: Are there any cases to go to Privy Council this year?

Mr. DOHERTY: At the present moment I should not like to say positively. We have just disposed of the references with regard to companies, and one or two other cases; I think these are the only ones actually pending before that court.

Mr. GRAHAM: Is the minister settling with the Ontario Government the question of water-powers, or is it going to the Privy Council?

Mr. DOHERTY: Two cases are pending with regard to water-powers; they have not

as yet come before the courts of this country. We are negotiating with a view to arriving, if possible, at a settlement of those cases.

Mr. PUGSLEY: What influences me particularly in asking as to this is the fact that the Minister of Finance has assured us that there are some thirty millions of dollars in these Estimates which will not be required next year. I am not sure whether we have any means of compelling the Government to tell us, I have not much confidence in our strength and ability to force the Government to do the reasonable thing when they are determined to do what is unreasonable, but we want to know, if we can find out in some way from some minister, how that thirty millions is made up. Do any of the items of the Minister of Justice form part of it? Has he informed the Minister of Finance that any part of his items are not to be expended? We have tried to get the information from the Prime Minister, and he is going to see the Minister of Finance. If the Minister of Justice can assure us that he will exert his best efforts to get that information for us, and will give a list of items which will not be expended, it will save many days' investigation of these accounts, because we would not then question the Government about this thirty millions.

Mr. DOHERTY: I have no reason to suppose that any item contained in my Estimates was included in the thirty millions. I made no statement of the kind to the Minister of Finance. The only instances where I am not prepared to say it is intended to spend the money are cases in reference to which one has to take an approximate amount, as for instance where we may not have as much litigation this year as last.

Mr. GRAHAM: Then this department may be eliminated from the thirty millions?

Mr. CARROLL: Is the Department of Justice furnishing counsel in the case of McGillivray and the Sydney Pilotage Commission? McGillivray was a pilot, and was dismissed after the election, presumably for partisanship. He sued the Commission for wages, etc., before the Supreme Court. He succeeded in the lower court, but lost his case on appeal in the Supreme Court of Nova Scotia. He finally won in the Supreme Court of Canada, and I was given to understand the Commission had the assistance of the Justice Department in the furnishing of counsel.

[Mr. Doherty].

Mr. DOHERTY: I can safely say we have not employed counsel in connection with the case. That would come under the Marine Department and it would be only on their recommendation that we would employ counsel. The expense would be borne by that department if counsel was employed.

Annual contribution Canadian Law Library, London Eng., $1,000.

Mr. PUGSLEY: While this is not large, might it not very well be struck out? There is connected with the Judicial Committee of the Privy Council a splendid library available for all lawyers, and I understand that this is a library in a private office.

Mr. DOHERTY: I think the system has been changed and that the books are now kept at Downing street where the Privy Council sits. It has been found to be of great advantage and a great convenience to Canadian lawyers appearing before the Privy Council to have these books gathered together in one group. Out of the $1,000, such additions as are necessary from time to time to keep the library up are made. This amount has been voted for several years past and I think that the advantage to Canadian counsel fully justifies it.

Mr. PUGSLEY: While the amount is not large, there are over a thousand items in the estimates and in the aggregate they run to a very large sum. This has been voted for some years, but we never had a war on until now. The position of Canada has never been so desperate, Canada has never been in so distressed a condition as to-day. Unusal and enormous taxes are being levied on the people and poverty and distress are spread all over the country. Some people say Canada is prosperous. It is not prosperous. Certain industries are prosperous. But real estate, for instance, is greatly depressed and vast numbers of people are in a position that is everything else but prosperous. We are imposing heavy taxes to meet the war expenditures and interest and yet we are proposing to give a thousand dollars for additional books for a Canadian law library in London for the convenience of counsel going there to argue cases before the Judicial Committee of the Privy Council. Every lawyer who has argued cases before the Judicial Committee knows that there is a magnificent library connected with that committee adjoining the room in which the argument is carried

on. The books there are accesible to every lawyer; messengers are in attendance to bring the books out to the reference room and there is every facility for studying the cases which it may be necessary to study in order to properly argue cases before the committee. Is not this a time to drop unnecessary items of this kind? It is only a thousand dollars, but you will find a vast number of items of the same charter. It would not in any way militate against the public interest if this item were dropped for the present. The amount could be put in after the war is over, when good times return.

Mr. HAZEN: My experience before the Judicial Committee, so far as books are concerned, is entirely different. I found the greatest difficulty in getting books to refer to there. On one occasion when I was appealing against a judgment of the Supreme Court of Canada I wished to refer to judgments of that court, and I found that I had to go outside and make long extracts and bring them in. I could find no library in the room adjoining the committee room. While I was Attorney General of New Brunswick I was asked to supply a copy of the New Brunswick reports for the use at the Privy Council of lawyers who went from Canada. I was informed that the other provinces of Canada were being asked to do the same thing and that the same request was being made of the Government of Canada with regard to reports of the Supreme Court of Canada. If I remember correctly we sent a copy for the purpose of having them placed in a room adjoining the Judicial Committee room. My experience is entirely different from that of my hon. friend.

Mr. PUGSLEY: My hon. friend must have been very timid and modest.

Mr. HAZEN: I always am, of course.

Mr. PUGSLEY: And perhaps the gentleman in charge looked too dignified for my hon. friend to approach him. I had no difficulty. I told him what books I wanted and he got them for me.

Mr. DOHERTY: It was just part of the magnificent library the hon. member enjoyed that we are now dealing with. The Imperial Government furnishes us a place to keep the books and they are kept and cared for, and, as I have said, we try to keep up the supply of books.

As the Minister of Marine and Fisheries has said the provinces supply their own statutes, and I think there is every reason to believe the hon. gentleman was enjoying the advantage of that library.

Mr. PUGSLEY: At the time I was there the Canadian library was kept in another part of the city, and was connected with the office of Mr. Blake.

Mr. DOHERTY: The Imperial Government are furnishing for that library caretakers to look after our books, and the provinces are contributing books which are especially useful to us. However distressful our condition may be at the present time, I hardly think we ought to take the position of saying to the Imperial authorities: you can go on maintaining our library, looking after our books, and providing books that are necessary to us, while we do nothing. I think, on reflection, the hon. member will see that even in our present condition we ought to make this expenditure for the sake of our self-respect, as well as for the advantage of those of our counsel who go there to conduct cases.

Mr. PUGSLEY: If my hon. friend cannot see his way clear to cut down this item I would like to know where we are going to begin to save the $30,000,000 which the Minister of Finance said we ought to be able to save.

Mr. COPP: On whose advice are the books selected that we are asked to pay for?

Mr. DOHERTY: I do not know that there is any body specially appointed to advise as to the books. The department here have communicated with the librarian with regard to those required, and I believe that the deputy minister has expressed his opinion upon the desirability of particular books. Not improbably, counsel attending the library might make representations as to certain books; I cannot say positively, but the expenditure for books, and the keeping up of reports, which have to be maintained from year to year, is not very considrable.

Mr. McCRANEY: Who administers the money; is it paid out from the department, or is it placed in the hands of the librarian to be expended by him?

Mr. DOHERTY: The money necessary to purchase any books is paid from here.

Mr. COPP: Did I understand the minister to say that part of this money went to the librarian for taking care of the books, indexing, cataloguing and so on?

Mr. DOHERTY: I am not in a position to give the names of the individuals to whom this money has been paid. If the hon. gentleman would like to have the details, I shall be glad to furnish them.

Mr. COPP: It would be quite a different thing if, as I understand now from the minister that part of this money would go to the librarian for looking after the library, and cataloguing books.

Mr. DOHERTY: A sum of $250 is paid for the maintenance of the library, and apart from that, books are purchased according as they are required. As a matter of fact, I understand that it may not be necessary to spend the whole of the $1,000.

Mr. PUGSLEY: How much was spent last year?

Mr. DOHERTY: Last year, there was only $250 spent; no additional books were bought.

Mr. PUGSLEY: And that was in time of peace.

Mr. DOHERTY: I do not know whether we need more or less books in time of war.

Mr. PUGSLEY: In connection with the Judicial Committee there ought to be a library worthy of the Empire. Counsel go there from all parts of the Empire to argue appeals, and a great many eminent English lawyers are engaged in the arguments as well. Surely in that library there ought to be the ordinary text books and reports of the courts of the Empire as well as English reports. If it is simply a matter of getting statutes from the different provinces, these could be furnished free of charge, and reports of the different provinces would not cost very much. But it is absurd that each country should be contributing to the upkeep of an Imperial library in the city of London in connection with the Judicial Committee.

Mr. DOHERTY: Are we not part of the Empire, and should we not pay a part of the upkeep of the Imperial library, particularly when it is useful to ourselves?

Mr. PUGSLEY: We have here the Supreme Court of Canada, and who
11 p.m. would ever think of asking the province of New Brunswick, say, to pay for keeping up a library in connection with that court.

Mr. MACDONALD: This is one of the items which drifted into the estimates in times of plenty, when it was not necessary to scrutinize them so closely as now, or to pursue a policy of economy. If there are in these Estimates items amounting to $30,000,000 which can be saved, as the Minister of Finance said, surely this is one of them.

Consolidation and publication of Reports, Orders in Council and correspondence upon Provincial Legislation since 1905, $500.

Mr. PUGSLEY: Was the amount all expended last year?

Mr. DOHERTY: I understand that this is a revote; it was not spent last year.

Mr. PUGSLEY: Surely this might be dropped.

Mr. DOHERTY: I think the hon. gentleman will understand the importance of our preserving the reports upon the statutes of the different provinces, and the correspondence with regard to them. As the hon. gentleman knows, the statutes of the different provinces have to be passed upon each year from the point of view of determining whether there is anything that calls for disallowance. In that connection, questions not infrequently arise of very general interest. I think this country can afford $500 to provide for the compilation and publication of those reports.

Mr. PUGSLEY: If this is so important, why was not the amount spent last year?

Mr. DOHERTY: Important matters do not present themselves for determination every year. Some years the Provincial Statutes, while they have to be carefully examined, do not call for any special observation. Other years serious questions present themselves as to disallowance, and I think it would be unfortunate if we left ourselves without provision, where such questions did arise and had to be passed upon, to preserve the decisions passed upon the statutes. For instance, when we have to deal with these questions, the pronouncements of previous Ministers of Justice on statutes with regard to which similar questions have been determined are invaluable to us. The compilation is very useful, and I think it would be unfortunate if we left ourselves without provision to continue it in case it should be necessary.

Mr. GRAHAM: Before the committee rises I should like to ask a question. I have seen an item in the newspapers that application has been made to the Privy Council in reference to certain Ontario

legislation known as bi-lingualism. Is there any truth in that report?

Mr. DOHERTY: Not to my knowledge, and I think I would have heard of the application if it had been made.

Mr. GRAHAM: I saw it in the papers.

Mr. DOHERTY: Many items that appear in the papers are not true.

Mr. GRAHAM: It seems that the attitude of ministers in regard to the Estimates will resolve into this: each minister will adhere to his Estimates, and the Finance Minister will finally have to explain to the country how he came to make the mistake in his Budget of $30,000,000. None of his colleagues seem prepared to help him carry out his promise.

Mr. ROGERS: It will all be susceptible of explanation at the end of the session.

Progress reported.

On motion of Hon. R. Rogers the House adjourned at 11.10 p.m.

Tuesday, February 22, 1916.

The House met at Three o'clock, the Speaker in the Chair.

PUBLIC ACCOUNTS COMMITTEE.

Sir GEORGE FOSTER: With the consent of the House, I beg to move that Mr. Carroll be appointed to the Committee on Public Accounts, replacing Mr. Neely.

Motion agreed to.

WHITE PHOSPHORUS MATCHES ACT AMENDMENT BILL.

Hon T. W. CROTHERS (Minister of Labour) moved for leave to introduce Bill No. 37, to amend the White Phosphorus Matches Act. He said: The Act as it now stands prohibits the manufacture of matches from white phosphorus from and after the 1st of January, 1915, and also prohibits the sale or use of such matches after the 1st of January, 1916. The manufacturers ceased manufacturing on the 1st of January, 1915, but they were unable during the next year to dispose of all the matches they had in stock, and on the 1st of January, 1916, a great many people still had matches on hand, and under the Act they were liable to prosecution if they attempted to sell or use them. This Bill gives the manufacturers six months longer in which to dispose of their stock on hand, and it gives those using these matches a year from the 1st of January, 1916, to use them up.

Mr. MURPHY: Has the minister proof that the manufacturers had actually ceased manufacturing on the 1st of January, 1915?

Mr. CROTHERS: Yes, I am satisfied as to that.

Motion agreed to, and Bill read the first time.

THE BUDGET.

Consideration of the proposed motion of Sir Thomas White (Minister of Finance) for the Committee of Ways and Means, resumed from Thursday, February 17.

Mr. J. A. CURRIE (North Simcoe): Mr. Speaker, it is some time since I have had the privilege of addressing my colleagues in this House, for reasons which are well known to us all. It is a great pleasure to be here to-day and once more to address those whom I have met on the floor of this House, sometimes in gladiatorial political combat, sometimes assisting in the various projects before the country. I congratulate the House upon the splendid spirit of unity which it has displayed throughout this great war. There is no question that this House has given to the whole British Empire an example of freedom from political controversy. For, although we here may fondly imagine that there is no such thing as controversy in the British House of Commons, any one who receives and reads the debates of that House, will see that the spirit of politics is still rife. In this House the criticisms have been rather mild, and the Opposition has given every assistance to the Government to carry on the great work that is before us all. The leader of the Opposition (Sir Wilfrid Laurier) has shown great patriotism in seconding the desires of the Government. I congratulate him upon that and upon the fact that he has, as it were, held back the restless spirits behind him, who, quite naturally, I acknowledge, feel a bit anxious to take a fall out of the Government. The conduct of the leader of the Opposition in this respect has made for himself a name in the political history of this country which will never be forgotten. Of course there is, and must necessarily be, a certain amount of political sniping going on in this House as well as in the country. Any sniping here is done in the broad light of day; but sometimes, I am sorry to say, it is done in the country about the way it is done at the front—by getting behind the

lines and getting in a lick at some poor soldier-politician—behind his back. But we have had nothing but splendid assistance on both sides of the House to carry forward all the measures that have come before Parliament in these very strenuous times.

I desire to congratulate the Minister of Finance (Sir Thomas White) particularly, upon the very excellent Budget speech he made in this House, and the lucid manner in which he explained the financial position of the country. He is to be complimented and congratulated also upon his excellent conduct of the public finances during the last year and a half. There is no question that the situation of this country, when the war broke out, was exceedingly grave. We had undertaken public works, tremendous railway extensions, which had just reached the point where their securities would naturally be marketable and the railways placed upon a sound foundation. Great expenditures had taken place and the resources of the country had been pledged for a number of years. The instant the war came every industry was stilled, every wheel ceased to move. Those who recall the strenuous days of the opening weeks of the war, know that manufacturing in this country virtually ceased. In that we had an example of the state this country would be in should this House do anything that would cause a cessation of manufacturing operations. For, after all, the manufacturing industries of the country are just as essential to the country's success as any other department of our industrial life. A number of these industries, being very strong financially, continued to operate, and very shortly there was a gratifying recovery.

During the past year the country has made some of the greatest discoveries that it has ever made. We Canadians are very much inclined at all times to belittle ourselves, to consider ourselves, perhaps, as not so capable mentally or otherwise as other people. I deprecate that condition of mind among the members of this House or among the people of this country. When the first contingent left for the front a great many people felt that it would have to be broken up and merged with British regular troops. During the past year, however, it has been found that the Canadian soldier is as good a fighting man as any soldier on the continent of Europe.

Another strange thing has occurred. In connection with the tremendous expenditures with which we have been confronted, the Minister of Finance has been able to raise in Canada, by means of bond sales to the people, the enormous sum of $100,000,000. Two years ago no one would have conceived it possible that in a time of war the Minister of Finance could raise even $50,000,000 in Canada for war purposes; yet the minister got over $100,000,000. If we make the war pay in this country, as Pitt made a war pay in England, I am sure that the Minister of Finance will have no difficulty in getting all the money necessary to meet the requirements of Canada's participation in the conflict, and that not only $100,000,000, but, if necessary, $500,000,000, can easily be raised in Canada.

The Budget contains very few features upon which any remarks could be offered. The new policy of assessing corporations is one that will doubtless meet with considerable opposition. In my study of political economy I have observed that there are two kinds of taxation, direct and indirect. There is no doubt that this proposed taxation of profits is a form of direct taxation. In considering this matter we should always bear in mind that in their legislation the people keep constantly in view two things: they desire, first, that no special interest shall have anything to do with the making of the laws that pertain to the administration of justice; and, secondly, that no special interest shall have anything to do with the laws dealing with the imposition of taxes. We should deal with every business institution and every commercial concern and every individual as being free and equal in the eyes of the law. One feature of this proposed legislation that may create some opposition on the part of members perhaps on both sides of the House is the provision to make it retroactive. I confess that I threw away almost all my books on political economy when I went to the war, and I have not since been able to find them. In those to which I have had reference, however, I find no case in which taxation has been made retroactive. The desire has always been to place the burden of any year's taxation upon that particular year, and I am satisfied that when the Bill comes before the House the minister will take that matter into his very serious consideration. Retroactive legislation should be resorted to only after we have reached the limit of our taxation. If we had failed by means of customs and excise taxes to obtain the necessary revenue, it might have been wise to raise money by means of retroactive legislation of this kind. We are legislating

in this House with a view to doing the best for our country. If we put aside all partisan considerations, as I think we should under the circumstances, we will agree that the minister did not, perhaps, give wise consideration to that feature of the proposed legislation. However, when the Bill comes before the House, many of its provisions will be discussed, and many of them will be changed.

I desire to congratulate the minister upon placing a duty upon apples coming into this country. Before the war I had the pleasure of going West almost every year. One thing that has always struck me is that the fruit trade in the West, especially in the Middle West, was entirely under the control of the American Fruit Trust. It did not matter whether Canadian apples were good or cheap, no man selling apples in the West would dare purchase eastern or western Canadian apples if he was getting other fruits from American firms. The American Fruit Trust informed the retailers and jobbers in the Canadian West that if they wanted to get oranges, bananas, and lemons from the United States, they must purchase also American grapes, apples, and other fruits. The result was that our fruit was blocked out of the Canadian Northwest. Great areas of fine apples are under culture in British Columbia, and it is necessary to see that this basic industry is properly protected.

Large quantities of oil are imported into this country, and of necessity there must be some form of taxation, particularly in view of the fact that in various sections of the country we have other kinds of fuel, such as coal.

The tax which we are objecting to, that which applies to companies, will strike quiet a number of the most efficient companies in Canada, while a number of companies owned by foreigners will be entirely free from taxation. There are in Canada a large number of concerns controlled by foreigners; some of them as a matter of fact are controlled by Germans. A large copper corporation in the West is controlled by a German syndicate by means of trustees. We have it on the authority of a statement in the British House of Commons, made last month by men of responsibility, that the nickel industry in Canada is controlled by the Krupp interests through trustees in the United States. When you bear in mind the fact that the nickel mines of Canada alone are sufficiently wealthy to finance the war for five or ten years and still leave a dividend, you will realize how important the control of these mines is to the Germans. Some action should be taken to see that materials connected with this industry are manufactured in Canada; at the very least, they should be subject to some taxation. The same state of affairs existed in Australia, where zinc concentrates of great value were controlled by German syndicates with headquarters at Frankfurt. The Government of Australia took the bull by the horns. They immediately cancelled the ownership of these mines controlled by the Germans, and the British Government is now getting these zinc concentrates from Australia. I think it would be wise for the Government of this country to make a thorough investigation into the affairs of the International Nickel Company with a view to ascertaining whether the statements to which I have referred are true. If its affairs are controlled by Germans, we should know it; Germans are not very friendly to us just at this time.

I have heard the hon. Minister of Trade and Commerce make a number of able speeches in this House, but I confess that I never heard him make a more eloquent speech than he did the other evening. The hon. minister is fully alive to the fact that the Germans have decided to carry on after the conclusion of this war a great trade war against the Allies. Possibly the hon. gentleman's position did not permit his making known what suggestions have been adopted or what course is being taken to meet the German onslaught that is sure to take place after this war is over. Hon. gentlemen may say: how do you know that the Germans intend to carry on a commercial war at the conclusion of the present conflict? We all know that whether Germany wins or loses, she will at least have Austria included within her Empire.

In Germany they are already looking forward to the carrying on of a further commercial war against the Allies. Early in December a Secret Congress was held in Vienna between the various interests of Germany and Austria and the various states within the German Bund. At that congress certain resolutions were agreed to that are to govern their conduct after the war. There was but one purpose in those resolutions, to retain their interior trade to themselves and to take trade away from the Allies. We all know very well how Germany has conducted its affairs for a number of years. It might be well for us to take a short retrospect of

what Germany was and what Germany did. One hundred years ago Germany consisted of a bundle of independent states. In 1915 the Germans brought about amongst several of their states what was known as a zollverein, that is a customs union between those states. Prussia or Brandenburg was the centre of that union. Step by step and year by year they have brought various other sections of the country under the dominion of that union, until before the war Germany had reached a point where almost every German-speaking state was part and parcel of that customs or commercial union. In 1848 they fought against tremendous obstacles. The German states with one end in view, under the leadership of Prussia, had been consistently endeavouring to reach a dominating position in the affairs of Europe, but in 1848 they were defeated and on that occasion the German fleet had to be put up to auction, as it will have to be after this war. Later on came Bismarck, who laid down this principle: that it was not by speeches, it was not by talk, and it was not by resolutions and public meetings, that they were going to build up Germany; Germany could only be made a great country and unified by a policy of "blood and iron." He proceeded to carry out that policy of "blood and iron" and coupled with it always was, of course, the commercial propaganda. He attacked and defeated Austria in 1866 and after that he turned to France and defeated France. In both cases there were commercial impositions upon both of these unfortunate countries. The Treaty of Frankfurt was an imposition on France, and the French are very glad to be rid of it to-day. However, the growth of the country was carried on apace. They changed their method of diplomacy. Instead of sending men to various countries to be diplomatists and carry on the old school of diplomacy, they sent their shrewdest business men, with the result that the business of Germany grew by leaps and bounds. Their trade extended all over South America. They supplanted the English in South America, in India, and other colonies, and in other countries, and they did so under the ægis of the British flag. They carried on this commercial warfare by every means in their power, and all the influence and power of the state was placed behind the German merchant in getting that foreign business. The English merchant could get from his bank only short time notes, but the German merchant was placed in a position to give six months' or a year's time to his customers, with the result that he was able to get all the business among the small traders in all countries. The German Government bank would discount long term notes and enable German exporting firms to carry on their business on this credit system. The German consuls were really commercial travellers, and did everything in their power to secure information about the ability of merchants to pay, and information as to their financial condition was always at the disposal of the commercial agents of Germany. Germany hopes to renew that commercial war of "peaceful penetration" as soon as this war is over, and to carry it on more fiercely than ever. Germany will strive to drive the Allies from the face of the globe, so far as their commerce is concerned, so as to get gold to redeem her paper currency. It is necessary for us to take time by the forelock, and do something to prevent that. It has been suggested in England and amongst some of the nations included in the alliance that, since we are now virtually selling our bonds on the joint credit of the Allies, some method must be devised to have commercial treaties between the Allies so that they can all work together to one end. A favourite method suggested is a form of commercial treaty. There is no question that we must do everything in our power to carry on our commercial warfare after the war on identically the same lines as the Germans. Of all the colonies that have gone into this war Canada is the only one that will not receive any territorial acquisitions. We have nothing to gain from the war as far as territory or wealth is concerned. The only thing we can possibly get out of the war is trade. I do not say that a war should be waged for the purposes of trade, but we all know that even although the eagle soars very high, still he has to come down to the hedges to get a living. It is the same with the country. While our ideas may be very great and our loyalty tremendous, at the same time those who are left at home, the remnant who will be here after the war is over, should see to it that this country, after it has been bled white by the war, does not have to carry, as Turkey did, a burden of debt for years without some means of securing some compensation and method of redemption by means of our foreign trade.

Bear in mind that the British Empire has

within itself all the elements that are necessary to make a great nation. Take our wheat crop. Hon. members from the West talk about the western wheat. The Empire grows enough wheat to supply all the Empire with all the wheat it requires and still leaves seventy or eighty million bushels a year to hand over to France and Italy. It is essential to us in Canada, therefore, that we should take steps before this war is over to see that our commercial interests are forwarded. I am not one of those who believe that everything should be put over until after the war is ended. Nobody knows when this war is going to end. I have had some experience of the war. When I first started off for France we all thought the war would be over inside of six weeks and we were wondering if we could not get to the front a little sooner so as to be in the fighting. As a matter of fact, after being at the front and realizing the condition and state of the army at the present time, I unhesitatingly say that we are only at the beginning of the war, that this war is going to be carried on for another year, if not two years, possibly three or four; and if there are no means by which we can strengthen the position of ourselves and our Allies in any possible way, by commercial treaties or otherwise, we should take immediate steps to do that now and not wait until after the war. When Great Britain was in a great war once before, at the time of the Seven Years' War, and called on her colonies to assist her, everybody in the colonies expected that it would be only a few months until the Empire and the colonies would be one. As a matter of fact, Pitt had a number of delegates from the American colonies meet and discuss a union. All the states were assured that they would get representation in the British House of Commons. In fact, a Bill was prepared for that purpose. But something happened, the doctrine of states' right; with the result that after the war there was nobody with strength enough, or energy enough, to carry out this plan, and the result was that inside of fifteen or twenty years the Empire was torn asunder simply because things had been left undone until after the war. If we are going to have a long war, let us take action for unity now. Let the colonies and the Empire get together with the Allies on these commercial questions now and not postpone action until after the war, because if we do the chances are that there will be some other interests calling for our attention then and nothing will be done.

With reference to the war itself, I want to congratulate the House upon the excellent support that has been given to the war and to the troops in the field. Perhaps it may not be amiss for me to give a short sketch of the operations of the Canadian division at the front. I had the honour at the time when war broke out to be the commanding officer of one of the Canadian militia battalions, and it was my duty, not only as commanding officer of that regiment, but also as a Scottish Canadian to offer my services, which the Minister of Militia accepted. The officers of my regiment offered the services of the regiment and that offer was also accepted. I also considered it my duty as a military member of this House to go. I know that a great many members, probably 80 per cent of this House, are beyond the military age, and no matter what previous experience they had had, or what their ardour was, they could not go. But I considered it my duty to go. My battalion was mobilized, and we went to Valcartier. Valcartier camp was a great example of the ease with which Canadian troops could be mobilized, a marvellous example of organization. Some 22,000 men were at first required, and in about three weeks something like 33,000 were under canvas. The troops got a great deal of very practical drill at Valcartier; in fact I have heard nothing but praise for camp Valcartier. I think it reflected great credit upon the Minister of Militia who organized it, and on those who carried through the work there. There is no doubt that at the beginning there were certain difficulties, but there are difficulties at the beginning of all things; they are to be found also in connection with the continuing of all great undertakings. They were quickly overcome at Valcartier, and the camp proved a great success.

After receiving a certain amount of drill, the troops were sent to England. I shall never forget the great armada that sailed from Gaspé Bay—three great lines of ships, eleven in each line, each line flanked by a war vessel, with a warship in front and another in the rear. We were quite fully guarded all the way across, and within two days of reaching the shores of Britain the greatest warship in the world then came to meet us, the Princess Royal, and we were afforded an example of the tremendous naval power of Britain. I wish here to say a word on behalf of the British navy. It has done just what it was expected it would do; it has swept the enemy from the seas. At that time, the enemy was not swept entirely from the seas; the battle

of Falkland Islands had not been fought. Nevertheless, a very few weeks afterwards the navy accomplished all that the Empire expected it to accomplish. We must bear in mind that everything in this war depends upon the British Navy. It does not matter how bravely our men may fight; it does not matter how much money the Minister of Finance may have; the fact remains that the products of the farm in this country would not be worth 15 cents on the dollar were it not for the British Navy. I think that the Navy should always be borne in mind, especially by those who farm the wheat fields in the West. We must bear in mind this: that if we want free wheat—and I confess I see no reason why we should not have free wheat, always bearing in mind that whilst this war is on we are all dependent upon the British Navy to market our crops. The British Navy has marketed the Canadian crops this year, and not only the crops of this country, but those of the other dominions and colonies, Australia included. Would it be well for us to endanger that support by allowing our products to be diluted with foreign grain? That is something we should consider when we are talking of the question of free wheat, and perhaps it would be well to leave the discussion of free wheat over until after the war.

Well, the British Navy saw us safely over to Great Britain. When we landed, we were immediately sent to the highest plateau in England, known as Salisbury Plain. Salisbury Plain is one of the most historic spots in England. There you will see the remains of Britons, Romans, and Normans. There were gathered at times the military people of England for three or four thousand years; mounds there mark the graves of forgotten kings and warriors. We were the latest warriors to reach Salisbury Plain, and we certainly had a time of it whilst we were there. When we reached that camp we imagined that we were going to be drilled by English officers, and that our work would be easy for us. At that time, however, Great Britain was in the throes of mobilizing Kitchener's army. Thousands of men were joining the colours, and the authorities could not get enough instructors to train the troops, with the result that pensioners of 70 and 80 years of age were called upon to help in the work of instruction. The Canadian force supplied some instructors to the British Army, my own batttalion amongst the number, and I am very pleased to say that one of the lads from my battalion won the Military Cross at the Dardanelles the other day. He joined the British Army from the ranks of my regiment, and to-day he is a major in the British army. That speaks for Canadian merit. Some 18 or 20 others took commissions, and assisted in instructing that great army which was still in the process of organization. When I left England in midsummer last year, fully 50 per cent had not then received their uniforms, arms, or equipment, and yet we in Canada continually proclaim our helplessness, and rail because a man does not get his uniform and equipment the moment he enlists. Few of us have any idea of the enormous amount of work that Great Britain had to accomplish in order to arm herself for this momentous struggle.

To-day Canada has virtually twice as many regular troops as Great Britain had at the beginning of the war. One hundred and fifty thousand men—just imagine what a paltry army that British army was. Why, we would hardly go out to see it march past in Canada now, when we talk in hundreds of thousands. We had considerable difficulties there. The climate was very disagreeable, and we were kept under canvas which was not very good, canvas which looked rather like cheesecloth. We were kept under that canvas all through the fall of the year and during a very wet season. It rained continually; it was the wettest season they had ever had on Salisbury Plains. One author has written something about the rains on Salisbury Plains being very bad for the men, and he was perfectly right, so far as that goes. The weather was exceedingly bad, but the troops stood it well. They drilled regularly every day and at night, twice a week, under our own officers, and I may say that our own officers far exceeded expectations in that respect. Fuss and feathers were cut out almost entirely. Officers from the front came over to give us some idea of the conditions there, and our officers studied the methods and results, and organized the force until when it went to France it was one of the best divisions there. Ever since I joined the force, I have been "soldiering," and therefore my lips are closed with regard to a great many things that occurred at the front, because it does not do for a man who wears a military uniform to discuss questions that appertain to civil affairs or to military matters. Here I am free to speak, and there is one matter that I wish the Government would

look into, and especially my hon. friend the Minister of Finance (Sir Thomas White) who is looking after the dollars. It is this: While we were on those plains, for about a month and a half, forty or fifty per cent of our men were taken away from the battalions daily by fatigues. These men were employed in building huts, digging trenches, constructing railways and carrying on great public works on Salisbury Plain and quite gladly and nobly they went to work and did their duty. We all believed we were doing our bit for the Crown, for the King, and we worked night and day struggling to get the camp into shape not only for ourselves but for Kitchener's army. We left greater monuments on those plains than did the Romans or the ancient Druids, that built Stonehenge, because we built railways and useful works of that kind that they did not know anything about. However, this is the point that I am referring to particularly: Our men received 25 cents a day from the English contractors, in addition to their pay, for working as they had done. When I had returned from the front and was in England, I ascertained that all the work that our troops had done there had been done for one or two English contractors and that the Government of this country had been giving these English contractors a free gift of virtually $1.10 per day for thousands of men employed. I hope the Government will take that matter into consideration. I do not know that it has been made known to the minister but it is a very serious matter. The contractors who were paid for that work by the British Government should be made to make restitution to this Government the wages of the men who were employed there, amounting to hundreds of thousands of dollars. That is quite clear, is it not?

That is only one example, but we must know that in times of war there are conditions under which contractors and grafters will try to get into the twilight zone between this and other colonies and the British Government. We must take very great care to see that contractors of that kind are not robbing this country or robbing the British Government. I say that unhesitatingly. There must not be any roses hung over the tables where contracts are being made between contractors and the Government. Everything must be open and aboveboard. The people of this country are desirous of doing everything in their power for the war. They are giving their last dollar and their dearest sons to the welfare of the Empire, but that being the case we should make sure that no advantage is taken of the unusual conditions which prevail in war time. It must be remembered that they have rascals in Great Britain just the same as they have every place else. I was told that the Government had made an important contract with a German Jew for all the lumber that was used by the War Office in England, and that this man had got a commission and something like a million pounds. I understand that he was subsequently punished. I trust that they now have got him in the Tower or a concentration camp. Rascality of that kind must be stopped. Things like that have occurred also in other countries. In France much money was diverted by fraudulent contractors, and the same thing occurred in Russia, but that is all over now. The governments concerned took prompt action, and punishment followed. I trust that before this war is over steps will be taken to find out from the Commander-in-Chief of the Canadian forces how and why it was that our men were employed in that way, and why the money equivalent of their wages was not refunded to this Government. This is a very disagreeable thing for me to discuss, but it is one of the things that many officers and men asked me to take up when I came home. I could not, while wearing the uniform, say a word about it, because it was not my privilege until I spoke in the House of Commons. I have spoken of this question and I have done so in the hope that the Government will inquire into it.

4 p.m.

After we had spent a certain time on Salisbury Plain we were sent to France. Within a few weeks after the time that we had finished the building of these huts we were taken to France. That was all right; we were anxious to go there. Would it be occupying the time of the House too much if I were to describe the trenches in France and various matters illustrating the life of our men at the front?

Some hon. MEMBERS: Go on; go on.

Mr. CURRIE: I do not wish to occupy the time of the House at too great length. Well, the troops went over to France. Some of you may have heard stories about our troops; it has been said that they were drunkards and all sorts of things. I can now state, for the information of the House, that eighty per cent of the men in my

corps, which was no better than the others, never took a drop of liquor of any kind during all the time they were in England, or after they had left England for the front. They were all fine, clean young fellows, who had gone to France intent on doing their duty to themselves and to the Crown, and they were anxious to be a credit to Canada. When they had reached France they were sent immediately up to the trenches. They were first sent to the ancient town of Hazebrouck, where they detrained. That is right in old Flanders. It has been stated that England had two, or three, million men there when we were sent over. That is not a fact. A return brought down in the House of Lords shows that Great Britain did not have more than 350,000 effective bayonets in France when we went there; so that we were a good sized unit to be added to the British force at the front. We took our position prepared to fight for Great Britain. Before going into the trenches we went into billets behind the trenches. These billets are composed of farm houses generally knocked about a good deal by shells. There will be a stable, a stall here and there, and there will be one or two rooms in the house which have not been destroyed by shell fire. Shells are likely to arrive at any time, as some of the German guns have a long range, and their fire is effective at a distance of ten miles. The various companies of the battalions are divided amongst these farm houses, and the farmers supply the men with milk, butter, and things of that kind. These farmers are not young men. There are only old men, boys and women left at the farms, and I will say to the credit of our men that there never was a single complaint against our men by the farmers in Flanders and that they behaved themselves like gentlemen. Flemish farmers have again and again expressed to me their appreciation of this fact. The Germans had overrun that country, and you can see evidences of German atrocities which it is unnecessary for me to mention here; there were ample evidences before our eyes at every place we went. A Flemish farmer said to me: We have had German troops, French troops, English and Indian troops, but the troops that behave themselves best when at our farms are the Canadians. I wish to bear testimony here to the men of the first Canadian division with which I was, and I am satisfied 'hat the men of all the other Canadian divisions will behave themselves equally well. The trenches that we went into first were in front of Fromelle, or within three-quarters of a mile of rue d'Enfers, which is the main road running into Aubers, where the battle of Neuve Chapelle was fought. These trenches are not exactly the same as those that you see pictured and which are shown as deep ditches. The deep ditches are communicating trenches. The trenches all through this whole country are really parapets about four feet high covered with sand bags and provided behind with willow trestles or basket work so that the men can stand up close to the parapets. The reason of that is that if you dig one or two feet below the surface you are in water. The result is that the permanent entrenchments must be all built up. The men entrench themselves in this way: The troops, after being engaged in battle, are told to dig in and every man digs a little hole for himself in the ground. He carries an entrenching tool on his back which he brings out, places on its handle and proceeds, while he is lying down, to dig himself a little hole in the ground. He gets into this and in about twenty minutes every man is lying under cover and if he gets any sleep at all it is then although the guns are playing upon these parapets and entrenchments. All the work is done at night. The shovels are brought down by the engineers and the men throw up a parapet four or four and a half feet high all along their line. They place wire entanglements in front of the entrenchments. Then, behind these parapets they place little dugouts into which the men slip when they want to have a little sleep. In these trenches there is a rigid rule of discipline. The men are all required to be kept awake during the night. They are not allowed to sleep. If they do sleep they sleep with their rifles under their heads. Every man has to have his uniform and his boots on, his arms in his hand, his equipment ready and his ammunition in bandolier and belt holding 300 rounds, strapped around him. All through the night magnesium flares illuminate the sky between the trenches, and it becomes so bright that you can read a newspaper at a distance of even half a mile behind the trenches. These flares are for the purpose of illuminating that dead man's ground between the trenches, the devil strip. The patrols go in and out at night from both sides and fight in that interval where there is no law and nothing but death if any one is seen there. Along about the grey dawn, half an hour before daybreak, word is

passed from mouth to mouth—all orders are given in that way—for the men to "stand to their arms," and the men get into position behind the parapets, so that, if necessary, they can repel an attack. They then stand to arms until half an hour after daylight, when they get the word to "stand down," and then they proceed first to clean their equipment, and after that to shave and clean themselves. After they come out of the trenches, they look as clean as any of us here do, because our Canadian soldiers are endeavouring to carry out the rule of the best regiments in the British service, that every one must shave and clean himself every day, so that he may look clean and respectable; it does not matter if his clothes are dirty and muddy. The soldiers carry out this rule, because it makes for discipline, and there is no better disciplined force in the world than our Canadian soldiers who have gone over to France. You may talk about the discipline of Caesar's legions, but they never had better discipline than the Canadian troops. Discipline means the sense of duty to carry on all the work cheerfully as told, and our soldiers are all obsessed with an intense desire to do their duty and to behave themselves like men. If a soldier misbehaves himself or is dirty—it does not matter who he is—the officers do not have to take action; the men immediately bring him to attention, and in about five minutes give him enough to make him go and clean himself and behave himself in future. Thus the discipline is self-imposed and as rigid as I could make it, the men carrying out their orders to the letter. This makes life agreeable to the officers, and the Canadian people have good reason to be proud of the men who represent them on the other side at the trenches.

Now, I want to bear testimony to the excellent food that is given to our soldiers. Nothing in the way of food that they require is refused them by the Government, and this Government deserves to be thanked by them for that food. The English troops, I may say, are just as well fed as we are. I hope the men will be given to understand, as they should understand, that this Canadian Government is paying for everything supplied to our men at the front. Some weeks ago, at the opening of the session, the Minister of Finance stated that Canada was paying for everything in connection with our troops. That is a glorious idea. Some people, not only Canadians, but some who are not Canadians, had an idea that we were not paying our share in that respect, that the British Government was paying and feeding our men. At the front, if a soldier sleeps in a barn, his officer has to give a requisition to the farmer that this soldier has slept in his barn for so many nights, because, as we are in a friendly country, everything has to be paid for and is charged to us. All the supplies of our Canadian troops, ammunition, food, and everything else, is paid for by us, and that condition of affairs should be made known more publicly in Great Britain than it is at the present time. I have been told many times in England and in Scotland, and the people there know, that our Canadian soldiers are receiving much larger pay than the English Tommies. The English soldier gets 1s. 6d. a day at most; the non-commissioned officers, of course, receive higher pay and the English officers get much higher pay than the Canadian officers, notwithstanding that some members would like to see the pay of the Canadian officers reduced. The English officers also get a larger allowance than the Canadian officers, but the English Tommy gets only 1s. 6d., whereas our men get 4s. 6d. per day. Over in England the wealthy man is putting up the money required by Great Britain and Ireland for this war. He is paying taxes and buying war bonds. He is called the "British taxpayer," and he has been a notable factor in the history and development of Great Britain since the time of the Magna Charta. This British taxpayer admires the Canadian soldier; he has nothing but praise for the brilliant qualities in action and the bravery of the Canadian soldier, but he has a haunting idea that he is perhaps paying a little too much for our troops as compared with his own. Many men have asked me: "Colonel, do you not think it is unfair that the Canadian soldier should be getting four shillings and sixpence a day while our men have to serve for 1s. 6d.? I was not sure myself, until the statement was made by the Minister of Finance here, that Canada was paying all the salaries of our men. That is not generally known in Great Britain, and I think that the sooner it is known within the walls of the British Parliament by some notable man there or by some member of the Government there, that, so far as Canada is concerned, all the expenses of our troops at the front are being borne by us, the better it will be for everyone concerned. That fact

sould be made known for many reasons which I do not wish to discuss at this place and time. This being a fact, the position of our army at the front is to some extent different from what it is generally supposed to be, and in view of the fact that we are paying for everything for our own men, Canadians should command our own men and we should have some representation upon the committee that deals with the supplies and the handling of our troops in Great Britain. We are operating along with the British troops and the Indian troops, and the Indian troops are in exactly the same position as the Canadian troops, because India pays for everything connected with her own troops. India does not hesitate to have a say in matters connected with her troops and she has a representative in the British Cabinet, seated at the table with the British ministers, discussing Indian affairs and this war. We are in a slightly different position, and, so far as I am concerned as a member of this House, I bring this matter to the attention of the House, because I think we are amply justified in asking that we may appoint a committee in Great Britain representing this Government that may be able to control not only the expenditure of money in connection with our troops at the front, but promotions, appointments, and other matters of great importance. The question of promotions is a rather troublesome one. The British officers in command of the troops consider that they have all the say in connection with the promotions in our troops, whilst the Army Act places all such matters in connection with the troops in the hands of the Government of the colonies that send armies to assist the Empire, stating that they have a perfect right to have their own rules and regulations in reference to pay, appointments and promotions, provided they pay the troops. It is very disagreeable for a young man who has served continually during the war to find out that his promotion is held back when officers not at the front have been promoted. Perhaps he may be entitled to a majority or to be second in command in his regiment owing to casualties which have occurred. His promotion, however, is held up for weeks. I am sorry that the Minister of Militia is not here, because I have received several letters from the front to the effect that, whilst some who have started as lieutenants in this country and who have not gone to the front at all are now commanding regiments, many young men who have served at the front, a number of them graduates of our Royal Military College, still remain without promotions, whilst civilians at home are without experience, are aspiring to the command of brigades and divisions. Something should be done by the minister to bring before this House measures that would adjust this, so that these men may know that their promotions are being promptly looked after. Because, as we all know, what is everybody's business is nobody's business and is never looked after. The British Government—the War Office—does not want to take the responsibility in this matter; and I suppose there is not an overwhelming desire on the part of the officials here to undertake the responsibility of matters of promotion abroad. But these are vital matters in the trenches and should be attended to.

I have spoken of the food, now the clothing of the men—it could not be better. It is first-class clothing, warm blankets, and all kept clean. Behind the lines, established in the breweries—that country is dotted with breweries; there is one at every corner—are great baths where at least 100 men can bathe at once. The result is that they can run off three or four battalions a day, so that the men have a nice warm bath once a week. I mention these things because I am sure that hon. members are interested in knowing how our soldiers are cared for.

Now, it might be fitting for me to give a description of the great fight in which the Canadians so distinguished themselves. And when I say "Canadians," I want to include all the men in our ranks who came from the Old Country. Every one of these old countrymen who wears the strap on his shoulder "Canada" is as good a Canadian as I am, a native-born. And he is anxious to be known as a Canadian; there is no desire on his part to be known as an Englishman, Irishman, or Scotchman. He belongs to the Canadian army and is a Canadian, just as an Irishman in an Irish Highland regiment likes to be considered a Scotchman.

Mr. GRAHAM: They have to have them to get up a good Scotch regiment.

Mr. CURRIE. These is something in that, but in the army there is no question of nationality. All our men are Canadians. And as to other nationalities there is no distinction. I had with me a number of

Irishmen and to one I gave the military cross for his bravery, and he deserved it. He wore kilts like the rest. I had several Englishmen, and nothing too good could be said of them. I had some of our friends from Lower Canada—there were a number of them with me. No braver men or better troops ever stood in shoe-leather than the French-Canadians who were with the First Division. When you fight alongside of men and see them press on, fighting with their hands, and bayonets, and rifles, and all standing to it without quailing, you realize the merits of those men and know the stuff the real Canadian is made of. The French-speaking Canadian militia has had a glorious history. Think of that corps in the campaigns of Montcalm and Wolfe. We know that when Canada was handed over to the British Crown the Canadian militia did not surrender, but marched out with drums beating, colours flying, matchlocks burning, and with all the honours of war. And the men who are fighting on the front to-day, men alongside of whom I fought, the men of the Royal Highlanders of Montreal and the Montreal regiment, and some in my own regiment, were worthy successors of those brave men who tried to defeat the British over a hundred years ago. It makes me very tired indeed when I see the efforts made to stir up strife in this country with the old weapons of the seventeenth century. These men at the front forget all these things. Those here who are trying to stir up trouble should go to the trenches for at least a few days. There they will see the wild Orangemen of Ontario dying, hundreds of them, alongside their comrades from the province of Quebec. And what for? For the very language and ideals over which there is trouble in this country; for the liberties of France; for the rights of that French-speaking people, the Belgians; for the integrity and independence of Belgium, "the beloved daughter of the Church." All these ideas of race and religion have been thrown into the sea by the men who have gone across; there is nothing of that among them. When a man has been under fire for twenty-four hours he reconciles himself to death. And he has a great respect for the man alongside him. The devotion of those men dying there should be an example to us in this country. In the shattered churches behind the lines, you find priests of the old faith praying there for these Orangemen and the rest of us in the trenches, praying that we may be safe and victorious. That is an example for the whole world, and surely it should put an end for ever to strife in this country. I would urge those who seek to stir up trouble to go to the front and see what is taking place there. You will find the bodies of these same Orangemen that are derided by some here, and about whom such a row is raised by agitators, buried in cemeteries the walls of which have been thrown down, buried in consecrated ground; no question as to religion there in the presence of the Great Tragedy. And this Great Tragedy is not enacted on that embattled ground alone; it is here, at our doors, it is in this very chamber as real as among these men in Flanders—unless they win. Surely we have something else to do here than to stir up strife. It ill becomes any man of military age to carry on such an agitation among our people. Where the fighting goes on we come to know each other. And I can assure you that, so far as those are concerned who seek political preferment by means of such agitation, the men who have fought and learned lessons of toleration in the trenches—for they have votes—will take care of those agitators.

Perhaps the House would desire to hear something of the battle of St. Julien, and it may not be amiss for me to put on record a few words concerning it here. For no doubt future historians will take up this Hansard to see what one who was present had to say about it.

The Canadians took over the French trenches immediately east and north of the city of Ypres, in Belgium. I may explain that all Belgium is gone except a strip about twenty miles wide and thirty miles long—that is all that is left to the brave King Albert and his people to fight in. The rest is in the hands of the Germans. But it will not be always thus. The last city in Belgium is the city of Ypres. The Allies had thrown around it cordons of their troops and had driven the Germans back about six miles all around the city, forming what they call a salient. On the extreme north, along the canal to the sea the Belgian troops were holding. Then came the French, the "Iron Division" from Nancy, whose lines ran along the northeast section of this salient. Then came the Turcos, native Algerian troops, and brave troops they are. I do not say they were not justified in fleeing when the gas came. The French left their trenches, and we took them over, having a position between the Turcos and the British troops, who held the line southwest to Labasse.

Strong fighting had taken place there. The parapets were low, and many a German was piled up in these parapets and in the mud under foot, and almost every inch of the ground behind us was covered with the graves of the brave French defenders of that section and the Germans killed in trying to take the ground. Honourable members sitting here, I think, have little idea of the conditions under which our troops are fighting. Death is in the air every moment. Night or day, if a man raises his head above the parapet, he is liable to receive a rifle bullet. Every five minutes a shell will hit the parapet or the trenches. Of course, everybody is placed so as to avoid danger as much as possible, but not a day passes when there are not one or two casualties, sometimes three or four, in every Canadian battalion, as you will see by the lists in the newspapers. And we were giving it back with interest to the Germans across the hundred yards of space in the same way. Four days after we had taken over the French trenches, on the 19th of April, between five and six o'clock in the afternoon, we noticed a tremendous rifle fire breaking out along the line occupied by the Turcos. Then we observed a huge cloud of greenish-yellow smoke, like the smoke of burning straw. The riffe fire increased in intensity, and the shell fire became something terrible. The German guns gave what the newspapers call "a curtain of flame" on the forward lines of the Turcos' trenches. One of my companies was in the garrison of one of the villages behind that sector, St. Julien. When I first saw that the attack was coming, I was at the front line in company with Adjutant Dansereau, who is a native of Quebec, and one of the bravest men that ever stood in shoe leather. When we noticed the smoke and the intense firing, we immediately came to the conclusion that a tremendous thrust was being made against the French line at that point. We hurried back into the village of St. Julien and ordered our troops there to stand to. Shortly afterwards we noticed the figures of the French Turcos coming across the fields towards the village. Adjutant Dansereau, with a number of other young officers—Guy Drummond and Major Noseworthy among them—ran out to meet and to stop the Turcos. Dansereau rallied about two hundred of them into my trenches; the others were rallied into the trenches in front of the village. Drummond and Noseworthy fell gallantly, stemming the retreat. The Turcos told us that the Germans had suddenly turned a stream of gas on their lines, which, with the wind blowing about four miles an hour, quickly crossed the intervening space of 100 or 150 yards which intervened between the trenches. The opposing trenches are never more than 400 yards apart; indeed, the intervening distance is seldom more than 100 yards. When the gas first came the Turcos stuck to their trenches, and fully twenty per cent of their men died in their tracks. You can easily realize why so many of these poor, ignorant, coloured troops were so panic-stricken that they ran. Those who did not run were shot by machine guns or struck by shrapnel as they tried to make their way out of the trenches, so that only a remnant of their brigades reached the village. I desire to bear testimony to the courage of these men, even though they did retire. Out of the 200 men who were put in the forward trench at St. Julien, not more than sixteen remained alive after the battle; and the sixteen became prisoners of the Germans. You will see, therefore, that it was not lack of courage that caused the Turcos to retire. Well, the Germans were coming on, and it was up to the Canadians to fight a rearguard action. I am speaking now not as a soldier, but in my civilian capacity; so I can give praise where it is due. I am sure, therefore, that a word of praise for General Turner will not be out of place. He is an officer in whom we Canadians all have confidence; and he is one of the bravest men in the British Army to-day. He is a Victoria Cross man, and a true soldier from the soles of his feet to the top of his head. General Turner immediately grasped the situation. The 10th and 16th battalions, which were in what they call brigade reserve at Ypres, formed up in the dusk of the evening west of the village of St. Julien, fixed bayonets, ported arms, and started to drive the Germans back. They drove the Germans back nearly a mile, many men falling in the engagement. No braver deed is recorded in the annals of the British Army than the charge of the 16th and 10th at St. Julien wood. Many of the Germans, who threw up their hands, were cowardly enough, after the troops had passed over, to shoot our men in the back. Between 60 and 70 per cent of the charging battalions were wiped out; that is, were killed or wounded. I have not time to mention the bravery of the officers who fell during that fight. The regiments dug in at the edge of the wood, and then the 7th hurried up to form a link between the villages

of St. Julien and the extreme point of the triangle held by the Montreal Highlanders and by my battalion. The first brigade was hurried up from west of the canal in reserve, and they helped to drive the Germans back and reconstitute the line. We stopped the rush that night. I understand that in the rush five army corps were in front of us. One of my men who had been a prisoner, but who, having lost his eye, was allowed to return, told me that six double lines of Germans were dug in in the fields behind the front of our lines. It was well known that there were 250,000 Germans in front of the Canadians in that fight; the odds, therefore, were about 20 to 1. That the Canadians were able to stop the rush of the Germans speaks well for their bravery. There was no hesitation, no question as to whether or not the force of the enemy was overpowering. It was a rearguard fight, and the Canadians held their ground because there was nothing between the Canadians and Calais. If the German army had broken through, they would in two days reach Calais. It was necessary to sacrifice men, and we did not hesitate to do it.

On Friday the Germans gassed the front line again. They had come to realize, however, that the Canadians would keep on fighting like savage Indians, and would not throw up their hands as long as life and ammunition lasted. One wounded man in a ditch would hold up a whole battalion of Germans. Wherever they crossed bayonets with our men, our men overpowered them, and again and again the Germans were countered and driven out of our trenches. On Saturday morning they gassed us again, this time the attack being directed against the Montreal regiment and my battalion, which held the extreme angle of the salient. We were surrounded by Germans on three sides. Possibly 1,500 guns were turned loose on our sector; a shell fell about every ten feet. Out of forty-seven men who went into a small trench about 100 yards to the left of where I stood, only seventeen men came out after fifteen minutes shelling; the rest were killed by Jack Johnsons—great shells that fill the air with black and green smoke so thick that you could almost cut it with a knife. A number of the men applied wet bandoliers to their noses and escaped the gas in that way. We were not then supplied with respirators such as they have now. It was but the third day of our experience with German gas. In spite of the gas, the men held their line until late in the afternoon, when support came. On Friday evening Lt.-Col. Hart McHarg, who was in command of the 7th, got into a broken-down house from which the Germans were distant about twenty feet. While making an attempt to get out of the house he was shot and killed. Many other brave officers fell that day. On Saturday morning the Germans got a piece of our front trenches. They paid dearly for it. On Saturday afternoon the English troops came up and relieved us. I want to bear testimony to the extreme courage and bravery of these new British troops. They were not regulars, but Kitchener's army. They were fresh from England, had never fired a shot in anger in their lives, and did not know what the inside of the German trench was like. They took over our trenches, and their battalion lost possibly 50 per cent of its members. showing you that, with proper drill and discipline, the British troops are the equal of any troops and can hold any troops in the world. That makes us all feel satisfied that before this war is over we are going to have great and glorious victories.

I shall not refer to the few of our battalions who came out further than to say that I do not think any of the Canadian regiments could muster more than three hundred men out of the eight hundred or nine hundred with which they went into that fight. All through the fight our brigadier was with us and with him the gallant officer who was his brigade major, the son of the Minister of Militia, a young man who is simply one of the bravest of the brave—there is no question about his ability as a soldier and his bravery. His commanding officer, General Turner, had to take the cooks and all the men he could scrape up at his headquarters to fight the Germans, who were within 150 yards, the first evening. A young officer from Winnipeg, McDonald, was shot in the brigade quarters by a shell that came into the room and the house was burned—not a particle of the barns and buildings where General Turner had his headquarters was left. Still he hung on, although we all thought he was killed. Our brigade got out about four o'clock on Monday morning and went into action again at eight o'clock the same morning, each of the battalions about 300 strong. Mine had 22 unwounded men and only two officers, myself and my second in command.

Something may have been said and has been said, there has been some gossip about my conduct at the front. I want to state to you gentlemen present here that

all through my career as an officer I constantly had in view the fact also that I was one of the members of this House and that I should comport myself in accordance with its dignity and honour. Far greater responsibilities rested upon me than upon anybody else there, but I never found the fact that I was a member of Parliament had anything at all to do with assisting me in any possible way, because I did not presume upon that; I took very great care that I never presumed or asked anything for myself from any person; neither political favour nor military favour of any kind have I asked for myself. There has, as I have said, been a little gossip. The men in my regiment and my officers know that when a battle takes place and I am there with them it is my duty to be there to lead them, rifle in hand; and after the battle is over I am the man who knows whether they comported themselves with bravery and dignity or not. The man who knows whether I did my duty there is Brigadier General Turner, V.C., who was with me all through the fight, and who shared the same dig-in with me during part of the remaining twelve days of the battle when we were in the thick of it night and day. When I was invalided to England he was good enough to ask for four days more leave for me. I got six days to start with and he was pleased to give me four days more, and he wrote me a letter which I think it is only right, in justice to myself, I should put on record here as it will show that the words I have spoken to you are true. This letter was written on the 10th of May, virtually on the battlefield. The general was in the thick of the fight at Festubert a few days later. General Turner does not hesitate to go in with his men. He does not ask any officer or man in his brigade to do anything that he was not willing to do himself. That is the kind of man he is. He is an opponent of mine politically, so you will understand that there is no scratching of one another's backs, and no politics in this. He wrote to me:

Dear Colonel:

Leave has been extended for four days as requested.

The process of reorganizing is a heavy one.

Your battalion will have lost its identity as the 48th Highlanders.

In forwarding recommendation for "Mention in Despatches" it has given me great pleasure including your name for the valuable services rendered at St. Julien.

According to medical officers and my own opinion you are entitled to a good rest or suitable staff employment.

You have done more than called for as a regimental officer.

With best wishes, believe me,

Yours sincerely,

R. E. W. Turner.

General Turner, in his modesty, has not added the words letters "V.C." after his name, as he was entitled to do. That letter speaks for itself. So far as my conduct is concerned, there is nothing to be ashamed of there. So far as the conduct of any Canadian soldier in the Canadian army that took part in that battle is concerned there is nothing to be ashamed of as far as I know. I am speaking for them all. If anything has been said or done since to my injury there are only two men who stood between me and any decorations that might have come to me, or any "mention in despatches," and these were General Alderson and the Minister of Militia here. One was six miles back of the line all through the fight, and the other was attending to his duty in Canada, several thousand miles away. I choose to take the verdict of the man who stood over me in the trenches and the men that fought alongside of me.

We will now pass from what is a very disagreeable thing for me to speak of a personal matter, because a soldier has only his honour; you get nothing but hard knocks out of war and a little honour; so let us turn to the question of the war itself. We have now some 250,000 men ready for the field, and we are asked to get more men and yet more men. There are three things we will need: men, money, and munitions, and then more money and munitions. Of men we have now 250,000, and I often wish that this country had been blessed with national service before this war broke out. Then there would have been no heart burnings. The French people have national service, and you have no idea of their attachment to their country, and the excellent way in which that service works out. In France, when war broke out, every man, woman and child in the state was mobilized for war. The man whose place was behind the desk at the bank was left there, that was his place. The man who was to till the ground was left there. The only son of the widow, the only hope and support of a widow, or the bread winner of a small family, he was not taken off to the war. Places were adjusted for everybody, and there were no qualms of conscience in anybody whether he should don khaki or

not; or whether we was of age or not, whether he should go to the front or not. I find in this country men of my acquaintance of my age who have never served in any military capacity whose consciences are disturbing them constantly because they are not at the front. Their place if they led sedentary lives at home. There is a great difference between national service and conscription. Under conscription the names of the men in the community are taken and put in a hat. If twenty men are needed twenty names are drawn out. It used to be the custom with conscription, and I do not think any law has been passed to change it, that if a rich man's name were drawn he could hire a poor boy a substitute to take his place. That form of conscription bore very hardly on the poor. But in France, where they have national service, the mother who rocks the boy in the cradle knows he has to fight for France and she glories in that. Many of them told me last year they were glad their boys would be old enough and able to take part in the war. Talk about their conduct in this war! Our ideas of the French people are in many cases entirely erroneous. The ideas put in books by novelists are often contemptible. There are no finer people, no more casual people, no more cool and collected people under danger—and I have seen them in the fight, in the middle of it—than the French. One of our officers, a Highlander, and a very brave man, who was wounded the other day, said to me: These Frenchmen in front of us carry on this battle just as casually as if they were working on a railroad job. Anybody who has seen them fighting knows that there is no chance in the world of the Germans winning, so far as fighting is concerned. The social qualities of the French and their discipline are very good. They were holding nearly 400 miles of these trenches I have described to you while the great British Empire was holding something like 35 miles. So you can understand the work and labours they had and the difficulties with which they had to contend. When we got into trouble their brigades marched to our assistance, took their places and helped us out and helped to finish the big battle of Ypres, which ended in a victory for the Allies, because it stopped the great German rush on the west front for a year. They have national service in France. If we had had national service we would have had no difficulty now; everybody would have known that he had his place, and then there would not have been any qualms of conscience in the breasts of those who are now wondering if they should not get into khaki because I or somebody else has done so. They would have their place, and their proper place perhaps would be on the lines of communication; perhaps behind the men in the trenches, or perhaps legislating here. The legislators in France have to attend to their duties, even if men are fighting at the front. We must get the 500,000 men, and I feel satisfied that, in view of the martial ardour of the people of this country —and I am speaking now more particularly of the Canadians, who number over 80 per cent of the population—we will get them; there is no doubt about that. Even if we have to take action, even if we have to adopt some form of national service, I think 90 per cent of the people of this country would say immediately, "Amen, let the older men take our places and let the younger men go." Why should a middle aged man with a large family go to fight in this war, and leave the young fellows who have no ties to stay at home? I received a letter the other day from a man at the front who is 53 years of age, and who has a wife and twelve children at home, and for over 12 months he has been under fire in the trenches. It is very unfair that a man of his years and position should have to go when there are hundreds of young men in the country quite capable of bearing arms; and it would be the best thing in the world for them.

We must get these men as quickly as possible. The nation that has the greatest number of men, the largest number of guns, and the greatest amount of equipment at the front, is the nation that is going to win this war. We must not say: We cannot do this, and we must not expend this or that money, because the war is likely to stop soon. Do not believe, gentlemen of the House of Commons, that this war is going to end in six months or in a year. The Germans have won so far; bear that in mind, and whilst they may want peace, and whilst it would be to their interest to secure peace at this moment—and nobody knows that better than the Germans themselves—we should see to it that they do not get peace. What has kept us back was our lack of preparation. Germany has got 65 per cent of industrial France; she has the coal mines and the iron mines; and she has Austria, for Austria will be the lamb that will lie down inside the German lion when this war is over. There will be no Austrian emperor then; take that for

granted, even if Germany is beaten. Then Germany has the Balkan States, and there is no doubt that she has won great territory. But in the language of Joseph Chamberlain, are we down-hearted? Not a bit of it, because history teaches us that we must pass through at least two years of muddling in a great war before the tide turns in our favour. Those of us who read history know that in the war between the Parliament under Cromwell and the King that at the end of two years Pym was dead, Hampden was killed and all the great leaders of Parliament of that day were either dead or killed. Very few besides Cromwell and Milton were left, but the tide turned at the end of two years, and then there came great victories which won the parliamentary liberties that we now enjoy and cherish. Take the Seven Years' War. During the first two years of that war on the continent of Europe the battle of Kolin was lost. There was also the convention of Closterseven, the loss of Minorca, the defeat of Braddock, the fall of Fort Necessity. It looked as if the end were near. The French had everything. Then the great Pitt came and there was victory from which Great Britain emerged stronger than she had ever been before. She secured the Spanish and French colonies, among them Canada, and for the first time obtained absolute command of the seas. Reverting for a moment to Cromwell, I may recall that at that time were passed the Navigation Laws, and to-day they are reading the preamble of those navigation laws in the House of Commons in England, and wondering why they ever gave them up. Adam Smith says they were the wisest piece of legislation ever enacted.

Again, take the Napoleonic wars. The first two years secured for Britain the command of the sea, but there was mutiny at home and in many cases defeat abroad, the same as had happened in the previous wars. Pitt the Younger succeeded in getting command of the sea, cabinet after cabinet was formed, and coalition government after coalition framed by that great statesman, to the end that the country might succeed. Nevertheless, history shows that during the first two years nothing was done apart from securing the command of the seas. Then the tide turned and victories came. Need I make any further reference to history? The tide is turning now so far as we are concerned. It has turned in Asia. The Russians have captured the great city of Erzerum, and the keys of Constantinople are always on the south side of the Bosphorus. They have always been there, and the Allies should be thundering at the gates of the city of the Turks before many months have elapsed.

So far as we are concerned, the fight has to be finished on the western front, and Canada must be there. We must have arms, we must have men, but in the meantime we must not hesitate to establish great arsenals here to manufacture rifles, guns and munitions. We will need them all. It is a great mistake for us to spend our money abroad; it is a great mistake for the Empire to send its money abroad for munitions. There would have been no question at all as to the value of the English pound if everything possible had been done to bring about the manufacture of munitions in Britain or in the Empire. Why, the German guns that fired shells at my soldiers and myself day after day in Flanders, were made out of Canadian nickel and chrome steel. The rifles that fired at us had barrels that were made out of Canadian nickel steel. Every one of them was stamped "nickel steel," but they should have borne the motto "mined in Canada." This country has virtually the monopoly of nickel in the world. The French own New Caledonia, where there is nickel, but we are the only people in the world that have chrome ore in large quantities at the present time. There are loads of it in the province of Quebec, and it requires chrome and nickel to make the best electrical steel. The best guns that are being used in this war are not those of Krupps, but those of France and Austria, and the reason why they are the best is that the steel of which they are made is chrome nickel steel made by an electrical furnace. We have all the electricity we need in this country; we have the nickel, and the chrome, and therefore we should go into the manufacture of arms and munitions on a large scale. The result would be that large amounts of money would be made in this country, and Canada would become great and prosperous.

As I have said before, when this war is over, we should see to it that we have made it pay, the same as Pitt made war pay. I think the consensus of opinion in this House of Commons is that everything must be done to bring about that happy state of things. After the war broke out possibly 75 per cent of the factories in England were closed and the people were walk-

ing the streets. Before I left England last year I took occasion to visit Woolwich arsenal, and I saw the operations connected with the manufacture of guns and shells and fuses, and of all the articles that are needed in war. I spent some time there, and took complete notes of every operation in that connection. I have a knowledge of machine tools, and of automatic machinery, so that I apprehend everything that was done in that arsenal. And let me say that I saw nothing done there which the people of this country could not do just as well. We have workmen just as able, and engineers that will hold their own with the engineers at Woolwich.

We must endeavour before this war is over to put ourselves in a position to reap every advantage from our great natural conditions. What a great thing it would be if this country were to become the greatest munition and arm producing country in the world. We have a monopoly of the raw materials that make cannon. To make cannon requires a certain amount of nickel, and also a certain amount of chrome, otherwise the temper of the metal will not last when the gun is fired quickly. We are spending enough money on this war to build these great plants for us and operate them. Now is our opportunity. If we let it pass it may never come again. If we deprive the Germans of our nickel, their predominance as an arm producing country will cease for ever. We will not be troubled with so many wars. That is the whole secret of it. In all these localities we should be doing everything we can to bring about the establishment of works of this kind. I know that the Government have had a great many things to contend with and that they cannot do everything. I am speaking freely because, as a result of this great war, we have thrown our text books on economy into the fire and we have also thrown away a great deal of our politics.

I think that some steps should be taken to inaugurate a policy similar to that carried out by Mr. Lloyd George in the old country. When he found that there were only three or four industries in Great Britain making shells and guns, and that they were trying to " hog " it all, he realized that it was necessary for him to get busy and increase the output of munitions. He called on the shoemakers, the cloth manufacturers and the steel makers and he said to these people: "We want you to make material for the army." They said: "We have not any money to go into the manufacture of these articles." "Why?" he asked. They said: "We must have money with which to get machinery; the machinery that we require to make that stuff will be of no value after the war. Times are hard, we have no money, we have been fighting the Germans in the matter of commerce for years and we are without funds for the purchase of new machinery." That was true. He said: "You name what you want and the Government will provide you with it; if you want machinery for making munitions the Government will give you the capital that you require." He went to the manufacturers of clothing, of rifles, of shells, and made the same proposition to them. Hundreds of factories were established in that way and to-day they are all going and prosperous. They are making large returns on their capital. Now, Mr. Lloyd George goes back to these manufacturers and says: "Well, gentlemen, you have made enough money to pay for these machines, for which the Government advanced you capital, you have got everything in first-class shape, you are making big profits and now I think the time has come when the Government should go into partnership with you and take 25 per cent of your earnings." He is therefore quite justified in doing that. Something of that kind ought to be done in this country.

The day has gone by when we can stick fast to the old policy of letting everybody look after himself. England has advanced one hundred years in that respect during the last two years. Take it from me, if you had mentioned in England three years ago that there was a possibility of the Government taking over the railways of that country you would have been laughed at. you would have been told that there were so many interests at stake that nobody could get legislation of that kind through the British House of Commons. Yet, in one night the Government took over the railways of Great Britain and, with the exception of one or two small branches, they are now all under Government operation and control. The Government have gone behind the munition manufacturers and they are going to go behind other kinds of manufacturers. Read the debates that are taking place in the English House of Commons almost every day and see what members of Parliament are saying about what they are going to do after the

war. They tell you that the Government are going to arrange banking
5 p.m. facilities, that they are going to stand behind their own manufacturers and that they are going to use every means in their power to control the commerce of the world. That is the proper policy and it is time that we should consider a policy of that kind.

I have talked to the House possibly long enough. There is nothing, as far as this war is concerned, that interests us more than the future. I see a glorious future arising from this war for this country and for the whole Empire. No longer will the British Empire be regarded as a bundle of sticks, a collection of shreds and patches. You will see, before this war is over, representatives of all the colonies having seats in the House of Commons; I have no hesitation in saying that. But, there is plenty of time for that. The war is not going to be over to-morrow. We must not be in a hurry. We must do everything in our power to achieve the victory which we all hope for. If necessary, this House and this Government should take steps to assure the Mother Country that whatever can be done to bring about victory and the consolidation of the Empire we are prepared to do. Let us all pray that the day will come when we shall have, not an inglorious peace, but a splendid victory crowning our arms and sanctifying the sacrifices of our soldiers and people, when we shall have a great, free, united, happy and prosperous Empire presided over—as the great Pitt prayed for—by a pious and patriotic King and Emperor.

Mr. E. W. NESBITT (North Oxford): Mr. Speaker, as this is the first time I have spoken since you have occupied the Chair, I would like to congratulate you on your rapid elevation, and to express the hope and belief that you will discharge the duties not only with honour to yourself but with credit to the high position which you occupy. I also desire to congratulate the Government on the choice of a Deputy Speaker. The hon. gentleman who occupies that position (Mr. Rhodes) is a very strong personal friend of mine, and I think that both sides of the House will be satisfied with his discharge of the duties of the Deputy Speaker.

I would like to congratulate my hon. friend the Minister of Finance (Sir Thomas White) on the very lucid and brief manner in which he placed the Budget before the House. I also desire to congratulate the gallant colonel from North Simcoe (Mr. John A. Currie) who has just taken his seat. I listened to his speech with a great deal of interest, because it gave us a great deal of information. But, as far as the political end of it is concerned, it will not be necessary for me to make any extended remarks. Whether I could derive any advantage from such a reference, if it were necessary to make it, is another question. But, I must congratulate him on the tone of his address and upon the way that he delivered it. As far as his prophecies are concerned, I am neither a prophet nor the son of a prophet, nor an admirer of prophecies, and therefore I will not attempt to answer that portion of his remarks, because, if we live long enough, we will all see, when the war ends, how the country will work out the problems which will confront it. I have no hesitation in expressing the belief that Canada will take care of herself.

When the war first started, I confess that the men of this country did not realize the seriousness of the situation. I believe that a great many people, especially the men, thought that the war, being over in France, or Flanders, or Russia, it did not touch us as closely as we now realize it does. Not so, however, with our women. Our women from the very first put all their energy, not only into providing comforts for our own men, their sons, brothers and fathers, but helping in Belgian Relief and Red Cross work. These women in many instances were better and more systematically organized than a great many movements, even under the Government supervision, that we have heard of.

I am not speaking now of this particular Government. The work that these women have been doing for the men at the front and for the relief of the suffering caused by this great war has been admirable and their organization has been splendid. Some of the newspapers have recently been agitating that the women should take the place of men for manual labour. Personally, I thank God that our women have not so far found it necessary to do manual labour, and I sincerely hope that it will not be found necessary in this country at any time for them to do so. During last summer as I travelled through the country I am sorry to say I saw some farmers whose wives and daughters had to assist them in the removal of the crops, and I have no doubt that owing to the number of men who have been taken away on account of this unfortunate war, the same thing will have to be done to a certain extent in the future; but some of the news-

papers are agitating that women generally should undertake manual labour. I hope that will not be necessary. I think that for the last two or three months the people of this country have fully realized what they have to undertake. I believe that they are prepared not only to furnish the men necessary for recruiting purposes, but to pay whatever is necessary for the proper support of the army that Canada has to send to the front, no matter what the size of that army may have to be. They are ready, as the Minister of Finance has said, to economize and sacrifice to a certain extent; but they are looking to the Government for an example in the practice of economy. If the people have to economize as individuals, there is nothing that will make them so sore, if I may use the word, as to see what they consider wastefulness on the part of this Government. Now, there may be some misunderstanding, but questions are asked us every day even with regard to the expenditure of the Militia Department. Many men ask me, on the train and off the train, at home and away from home, various questions which I will attempt to repeat. They ask me: "Why is it necessary for an outside magistrate or some such person to swear in a recruit when the officers are there to swear him in? If it is necessary, are these outside men paid for the work?" They ask me: "Why is it necessary to have an outside doctor to examine the recruits when there are doctors belonging to each battalion? If it is necessary, are these doctors paid for the work?" They ask me: "If two or three men are recruited in a village, are these men paid from the time they are recruited, from the time they are taken away from their work? Are they paid in full while they are sitting around the village shoeshop or the village blacksmith shop doing nothing, not even drilling, or are they paid just the difference between what they would earn if they were not enlisted and what they earn as recruits?" I know that men are getting very scarce in some of the towns throughout Ontario; I do not know as to the other provinces. Is it necessary that these men, before a battalion is filled, should be left doing nothing in the villages? What benefit do we get in that way? Many people also say to me: "Is it necessary that these battalions should be kept so long drilling instead of being sent to camps with other battalions so that they can be taught the methods of warfare as it is carried on at the front?" I am not complaining about these things; I am simply stating what people ask me and what I cannot answer. It is for the Government or for the Department of Militia to answer these questions. At the same time, the men who ask these questions are willing to support the Government to the utmost extent in recruiting; they are willing also to pay to the utmost extent to bring this country and this Empire out victorious in this war.

As I have stated, it is up to this Government to set the example in economy. In looking over the estimates for the year, one cannot help feeling that during the last four or five years, since 1911, there cannot have been such improvements made in the public service that the ordinary Estimates should have been increased from about $87,000,000 in 1911 to about $158,000,000 in 1916. Just as the manager of an institution is responsible for any increase in expenditure, so the Government must explain the reason of this increase and tell us why the Estimates cannot be decreased without materially affecting the service that will be rendered to this country. The Government can certainly make a decrease in the Estimates of the Department of Public Works. I think it is very bad policy for the Government of a country, just as it is for the management of a business, to put in the Estimates items that they do not intend to expend. Of course, it may be a good thing politically. I myself am a poor politician; that is, I do not believe in taking political advantage by placing such items in the Estimates. If the Department of Public Works has no intention of erecting these buildings and constructing these various little public works, such as wharves and breakwaters, why does the Government put the items in the Estimates? It must have been for a political reason, for the purpose of convincing a section of country that benefit to them was intended by the construction of some public work at the general expense. There can be no other reason. Now, that is too bad. My hon. friend from North Simcoe (Mr. Currie) has been telling us about the unity of this country and about doing away with politics. In the face of that it is too bad that the Government should put in their Estimates appropriations that they have no intention of spending, as acknowledged by the Minister of Finance, to the extent fo $23,000,000. There is no possible reason that I can see why the Estimates should not be cut down by $35,000,000 more, for

that amount of saving could be effected without injury to the public service. The Government itself should set the example if it wants the people to economize. Let us look for a moment at the expenditures that have been incurred. In the first three years of their tenure of office the Government had surpluses aggregating $133,000,000. The Minister of Finance now tells us that at the end of the year the debt of this country will be $580,000,000, an increase of $243,000,000 over what it was. So that, with increased debt and expenditure of surplus, the Government have done away with $376,000,000 in something less than five years. And what have they to show for it? The Minist r of Finance may tell us of some things that they have to show, but he could not possibly make the list such as would justify this expenditure. Why, the post office expenses have jumped from about $7,000,000 or $8,000,000—I have not the exact figures before me—to $17,000,000 or $18,000,000. It is quite true that the Government has extended rural mail delivery, and for that I give them credit, but the expenditure on rural mail delivery would be only a drop in the bucket of this great increased post office expense. That increase is absolutely absurd. Now, if the Minister of Finance does not intend to spend the $158,000,000 represented by these estimates, why cannot he strike out those amounts he does not intend to spend, as we come to them in committee? He asks us to unite with the Government in not playing politics and not talking politics. Why not, then, be honest with us and with the people and state openly what expenditures are to be made? I believe that from their estimates for public buildings and other similar works, the Government could strike out items aggregating $7,000,000 without doing a particle of harm. Then, in our expenditures on public works to be charged to capital account, other great reductions could be made. They need not stop such great works as the Welland canal and the improvements at St. John and at Vancouver. Let these works go on to a limited extent. The Government need not fear that they will throw men into idleness, for the general labour market will take all the men that can be released from public works. While I know that my friends on this side are as guilty as those on the other side in regard to the Hudson Bay railway, certainly there is no pressure this year, so far as I know, for the expenditure of great sums of public money on that work.

Now I come to the revenue side of the account. The minister has shown us, and I am glad he was in a position to do so, that the revenues have increased very materially during the last six months. But I would have him remember that a great deal of that revenue has been obtained from customs charges on machinery imported for the manufacture of munitions, and that importation has about ceased. Besides, a great deal of revenue in January and the early part of February was obtained because merchants and manufacturers throughout the country looked to see higher duties on many lines of goods. They did not know on what lines, for the minister quite properly, had not taken them into his confidence. But I know that vast quantities of material for manufacturers were imported. Therefore, I doubt if the revenues will increase as fast during the next two months as they increased during the last two months.

The first change that I notice with regard to revenue is the duty on apples. My hon. friend from North Simcoe (Mr. Currie) said he was pleased to see that duty put on because it will help the people of British Columbia. That is one of the inconveniences of our widespread Dominion—what is meat for one province is poison for another. While this duty may benefit the people of British Columbia, it will prove a great detriment to the people of the prairie provinces. My hon. friend from North Simcoe says that no apples are shipped from Ontario or British Columbia to the Prairie Provinces. But so far as my own section of country is concerned that is not correct, for we ship many carloads of apples to the West; and, travelling in the West, I have found that there was a great consumption of Ontario apples and of British Columbia apples as well. I do not believe that we people in Ontario demanded this increased duty. For my part, I never heard it even mentioned. I know, from the prices that many men get who ship apples to the West, that the unfortunate people of the West must pay through the nose, as the saying is, for the apples they get. Now, while this duty may help the people of British Columbia, I would like to see them help themselves by competing with the Washington apple growers, just as people compete in any other line of business. I believe that the people of British Columbia could compete with the growers of the American West,

even without any duty, and I have no doubt the people of Ontario could hold their own against the American competition as well; and, so far as I know, the apple-growers of Ontario are quite willing to do so.

As to the duty on crude oil, the only people upon whom this will bear very heavily, so far as I know, are the Canadian Pacific Railway Company.

Mr. TURRIFF: And the Grand Trunk Pacific.

Mr. NESBITT: The Government will get something out of the Grand Trunk Pacific company by reason of the duty on crude oil, but their action is rather ungenerous, considering the amount that will be taken from the Canadian Pacific Railway company. I admit that the Canadian Pacific Railway company is a great corporation ; so far as I know they are willing to bear their share of the cost of this great war. But I think it is rather heaping it on to take a quarter of their profits over seven per cent, at the same time hitting them on the head so far as crude oil is concerned.

In the resolution which the hon. Minister of Finance submitted in connection with his new taxation proposals I find the following:

> That there shall be charged, levied and paid to His Majesty a tax of twenty-five per centum of the amount by which the profits arising from any trade or business subject to the tax in every accounting period ending after the fourth day of August, one thousand nine hundred and fourteen.

The banks, I think, end their fiscal year in November; therefore, their first accounting period under this legislation would begin in November, 1914. If it was my hon. friend's intention to make this legislation retroactive from the beginning of the year, I am not sure that he will succeed; he will certainly strike those banks whose accounting periods end in the latter part of the year if he causes the tax to cover the whole accounting period. I suppose the banks have already paid the one per cent on their note issue, as provided by the Budget of last year. Some persons say you cannot strike the banks too hard. I do not agree with that. My hon. friend realizes, I am sure, that any tax imposed upon industry finally comes back to the ultimate consumer. Every large manufacturing concern knows that an increase of one-quarter, or one-eighth, in the charge for cheques and drafts, would compensate them for the extra taxation. In any case, all these things come back to the ultimate consumer.

Clause 6 of the second resolution reads:

> That the capital employed in the trade or business of an incorporated company having its head office or other principal place of business in Canada shall be the amount paid up on its capital stock.

In Ontario many companies have issued capital stock as common stock that is paid up according to the laws of the provinces. In some way they have got round the law and arranged that the stock that is issued is just as much paid up as the preferred stock. I shall not call the great companies monopolies; it is my experience that the so-called monopolies are so overloaded with overhead expenses that the ordinary small business that is well run can easily compete with it. A number of large corporations—I shall not call them monopolies—have issued a great deal of common stock and have been capitalized to such an extent that this proposed ligslation will not touch them at all. The hon. minister shakes his head. I do not know how he is going to get out of that, because there will be lawsuit after lawsuit if he does not recognize as paid up stock the stock which the province of Ontario recognizes as such. This being the case, a number of large corporations—I need not name them—cement companies, steel companies, and other large corporations that have great quantity of common stock, will not be touched by this legislation.

Sir THOMAS WHITE: There will be a definition of " amount paid up on stock " which will prevent, I think, undue advantage in the case of over-capitalization.

Mr. MURPHY: Undue.

Mr. NESBITT: That gives rise to the observation that it is possible for a Government to take too much power into its own hands. What are we fighting for in Flanders and France? What are we spending this money for, if not to protect the right of the Englishman to be master in his own house? What are we spending this money for, if not to maintain what we call British fair play? Is it fair for the Government to take a man by the throat and make him pay what he should not pay? Is it fair for the Government arbitrarily to say what the stock of my company shall be when the Government have given me the right to issue that stock, the very Government that is going to take away that right? My hon. friend has no

right, in my judgment—leaning as I always do to British fair-play for every human being—to arbitrarily say just what that stock will be. That brings me to the people who will be most affected by the tax in the case of corporations. They are the people who are a credit to this country, those who very likely started with a small capitalization and have toiled night and day, with the greatest perseverance and industry, to work up a business in this country; and every member in this House who is in the manufacturing business and who has worked up a paying industry in this country knows what hard work it was. He knows that he kept down his capital stock and did not try to make money out of the flotation of stock in his company, by selling it throughout the length and breadth of the land, preying on his neighbours. He has attended to his own business and made it pay and has very likely gone without dividends for ten or fifteen years to get the business in a position to compete with his neighbours in the rest of the world. He is the fellow who will have to pay one-quarter of the profits over and above his seven per cent, because he has no other recourse. Take the man who is in a partnership or who is individually carrying on business. He also has worked, as I have stated in reference to corporations—and I might call a corporation one man because in all successful corporation businesses that I know of the success largely depends on one individual in that corporation. Take the fellow who has no partners, who is doing business by himself. He has worked till he is grey headed very likely, until he has built up a business of which he is proud, and of which his town is proud—and his country should be. He will be affected by this tax, while the great corporations, with what is sometimes called watered stock, with their great issues of capital stock, are not affected although they above all human beings in the world should be affected if you want to get at the rich man,—and I am taking it for granted that the Government want to get at the men who are capable of paying. The one person who escapes this tax is the fellow who promoted big corporations and sold the stock to everybody he could. Some of these promoters have put millions into their pockets by these promotions, yet they are not touched at all, they go scot free. I would find them if I had to take a searchlight. The man who has built up his business has to pay. I do not believe he will complain; I think he will pay and pay nobly without complaining. But let us be fair, that is what we are trying to do in this parliament, or should be. Let us try and be fair to him if he is willing to pay. There is no use in driving a willing horse to death.

Now I come to the question of the $50,000 minimum. Why should it be set at $50,000? I have been asking myself that question ever since the Budget came down. If my friend here has a company capitalised at $50,000, or is in a partnership with $50,000 invested, he is subjected to this tax; while I have only $40,000 invested, yet am making just as much in proportion as he, why should I not pay? Why should there be any limit? I do not see any sense in that. I might not have to pay as much as he, but I have just as much right to pay my proportion as the man with $50,000 invested. I do not see any reason for arbitrarily setting $50,000, because I believe that the fellow who has not the $50,000 is just as willing to pay his proportion as the man who has, and I think he has as much right to pay as the man who has. What I do object to more than anything else is the escape of the very men, the large capitalists, who have no possible chance, in my judgment, of paying seven per cent on their capital stock. These men escape. The men who promote these corporations escape. Take the men who sit quietly on their pants and do not do a thing for the country or anybody else, the fellows who have money invested in bonds and in real estate from which they derive rents, some of them worth hundreds of thousands of dollars, why should they escape? You take that very type of man in your town; he never goes to a town meeting, never helps the town, is never willing to come forward to help with anything. He quietly gathers in his rent and his bond interest and that sort of thing. Why should he escape? I ask the minister. They are the fellows who ought to pay. Half of them are getting old and they cannot live forever and certainly they cannot take their money with them. Even when they die, in the cases of nine-tenths of them their children will quarrel like the deuce about their money. Why should such men not contribute, if only to promote peace in their families? The thing gets more absurd as we get along.

Now I come to the worst feature, the retroactive legislation. No human being can defend that. We none of us know where we are at or when we are finished.

If the Finance Minister and the Government wanted to get at the men who were supplying munitions and supplying war material for this war, why did they not take the example of a celebrated colleague now deceased and be bold enough to be honest and honest enough to be bold, and get at them? Why whip all the other fellows over their shoulders? While I am opposed to retroactive legislation, absolutely, in any form, still, under the circumstances, considering the fact that people from one end of this country to the other say that these men who have supplied war munitions have made enormous fortunes, I believe that the people in Canada would have endorsed the action of the Minister of Militia and the Government if they had taken not one-quarter after seven per cent, but one-half.

Some hon. MEMBERS: Three-quarters.

Mr. NESBITT: One-half anyway of the profits made by suppliers of munitions and various supplies to the Imperial Government and to our own Militia Department. I believe the country would have endorsed that. Why did the minister not get at these men who have made enormous profits out of the supply of munitions and not at the companies that are doing the regular business of this country? Let me give an illustration. At the end of their fiscal year the directors of a company call in their shareholders and if they have made any money, and if they are honest, they distribute it to their shareholders, who should get it, because, after all, they are the owners. Now we go back to 1914, after these corporations have distributed their profits, if they made any. Do you mean to tell me that you are going to make these men go and borrow the money to pay up the war tax from 1914? I was the other day at a meeting of an insurance company, which gave the whole of its surplus profits, $50,000, to the Patriotic Fund—a Canadian insurance company. I had the pleasure of moving the resolution. Do you mean to tell me that you are going to make that company pay as taxes $12,500 of that sum which they gave to the Patriotic Fund out of their reserve?

Sir THOMAS WHITE: Was that a life insurance company?

Mr. NESBITT: No, it was a fire insurance company, the Gore Mutual Company, and a credit to this country. I repeat, do you mean that that company should pay as taxes $12,500 of the amount which it gave to the Patriotic Fund? So far as I can see, that would be the result of this legislation.

Now, I have an old grievance to ventilate. I want to bring to the attention of the Minister of Finance the fact that he is again giving a premium to insurance companies which do business in this country without a license. He is letting companies like the New England Mutuals, Reciprocal Underwriters, and American Lloyds go scot free. I have no doubt that there are some German companies still doing business in this country, and yet the Minister of Finance practically gives them a premium for not taking out a license. I think that every company doing business in this country ought to be forced to take out a license. I do not care who they are; I would put them all on the same level, and then there would be no grumbling. But these outside companies are not taxed anything. They come to this country and do business, and are not asked to pay a cent for the benefit of this country, while the licensed companies pay for their licenses, and will be taxed under this Bill, as they were taxed under last year's Act.

I would like to speak for a moment with regard to immigration. The Estimates for immigration have not yet been passed, and perhaps I will have an opportunity of discussing the subject at greater length then. But I have a very fixed idea that if there is one branch of the Government, the Estimates for which should not have been reduced, it is the Immigration Department, because now is the time to get ready. But the Government have reduced the immigration Estimates by $1,500,000, I think, despite the fact that now is the time to prepare for the immigration that is bound to come to this country if we are not taxed too high. I hope the Minister of Finance will see to it that we are not, although it looks very doubtful in view of this Budget. We have gone all wrong in our immigration policy. We bring immigrants here, men and women, and dump them down at the landing place, and do not look after them. We ought to make some arrangement with the provinces by which these immigrants could be taken to suitable places and educated to a certain extent in farm work. There could be large farms in the provinces where these immigrants could get a smattering, at least, of farm work. Most of them, when they come out, are of no use for farming, and the ordinary farmer will not engage them, and educate them, and pay them at the same time. We ought to change entirely

our system of dealing with immigrants, and that is one reason why I desired to discuss this subject. But I will take the opportunity later on.

Let me say just one word with reference to what my hon. friend the Minister of Trade and Commerce (Sir George Foster) spoke of so splendidly the other evening—the patronage system. I am not here to accuse the Government of bestowing patronage in connection with the war orders; I do not know that they did, but they say that where there is smoke there is sure to be fire, of which I got definite proof at the old Parliament buildings the other night. But I believe there is absolute corruption in connection with the system. I would certainly join with my hon. friend the Minister of Trade and Commerce, and with any other member of this House who will rise and condemn the patronage system in every shape and form. Personally, I never had any patronage to dispense in the riding which I represent; I always try to treat everybody exactly the same, no matter what their politics or religion may be. Regardless of politics or religion, regardless of creed, we in this country are willing to support the Government in any reasonable expenditures required for the upkeep of the army, and in order to win victory for our arms, and for those of the Empire; but we decidedly say that these expenditures should be reduced by the Government to a minimum. I am not going to attempt to indicate the various ways in which they could be reduced—it would take me all night to do so. The Government represent the people, and they are accountable to the people. If they have not a system which enables them to know where the leakages occur they should at once organize some such system with the view of cutting off all leakages, and all patronage, because that is the curse of the whole business. The Government should start now to reduce to the very lowest minimum the expenditures in connection with the various departments, and they can do it easily. There must be hundreds of people employed whom it is not necessary to employ in the various departments of the Government, and there must be hundreds and thousands of items that could be reduced without any hurt to the country. I say to you, Mr. Speaker, that it is the duty of this Government to meet the wishes of the people on this point, and I believe the people will be perfectly willing to bear any reasonable expenditures necessary to carry the war to a successful issue. But there will be grumbling, and certainly there should be grumbling, over the fact that in four years our ordinary expenditure has jumped from $87,000,000 to $158,000,000. Take it at the minister's own estimate, $135,000,000; why the whole thing is absurd. People would not believe it possible if they did not have it in black and white before them.

There was one point raised by the hon. member for North Simcoe (Mr. Currie) regarding which I would like to say one word. He said that the nickel industry in Canada was controlled by Germany. I know some officers of the nickel corporation, and I know that there is not a human being in Germany who has any control, or who has anything to do with the Canadian nickel interests. I think the ministers know that as well as I do. I have been told by officers of the nickel company that they would be perfectly willing to have any investigation that might be thought desirable to clear away any doubts as to German control.

As it is practically six o'clock, if I started to talk further on this iniquitous, retroactive resolution that my hon. friend has introduced, I am afraid that I would have to finish after dinner; so, I will now stop, as I have told the House frankly and plainly my views on the proposed Budget.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

THIRD READINGS.

Bill No. 3, respecting the Burrard Inlet Tunnel and Bridge Company.—Mr. Stevens.

Bill No. 4, respecting the Canadian Northern Railway Company.—Mr. Bradbury.

Bill No. 7, respecting the Farnham and Granby Railway Company of Canada.—Mr. Douglas.

Bill No. 14, respecting the Central Western Canada Railway Company.—Mr. Green.

Bill No. 16, respecting the Quebec, Montreal and Southern Railway Company.—Mr. Lemieux.

CONSIDERED IN COMMITTEE—THIRD READINGS.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Bill No. 13, respecting the Canadian Pacific Railway Company—Mr. R. B. Bennett—in Committee.

On section 4—issue of consolidated debenture stock or preferred stock:

Sir THOMAS WHITE: I think the wording of this section is reasonably clear. Hon. gentlemen may be aware that in Great Britain the principle proposed by the Chancellor of the Exchequer was that securities and stocks might be deposited with or sold to the Treasury. The intention was that such securities or stocks might be availed of by way of security for loans made in New York, or loans negotiated in New York, or sold upon the New York market. This Bill provides that the debenture stock of the Canadian Pacific Railway Company, which has been issued in sterling, may, with the consent of the holders, be issued in currency. It would then be available for deposit, and for use on this side of the Atlantic.

Section agreed to, and Bill reported, read the third time, and passed.

Bill No. 15, respecting the Pacific Northern and Omineca Railway Company—Mr. Green—in Committee.

Mr. GREEN: This Bill was allowed to stand yesterday, the point having been raised that in section 1, it was provided that the company might commence and complete the road within five years, no special time being fixed for commencement. So I have drafted the ordinary clause that is inserted in all Bills, providing that the railway may be commenced within two years and finished within five years. I move that section 1 of the Bill as it stands be struck out and this inserted in lieu thereof.

Mr. DOUGLAS: I note that in the description the expression is used, "Edmonton in the Northwest Territories". I would suggest that that should read, "Edmonton, in the province of Alberta."

Mr. GREEN: I do not know that it would affect it particularly, for there is only one Edmonton.

Mr. DOUGLAS: But there is a Northwest Territories north of Edmonton.

Mr. GREEN: I will be glad if the chairman will change it to read: "Edmonton, in the province of Alberta."

Sir THOMAS WHITE: This section covers a rather lengthy description of a great deal of which does not appear in the Bill before us. Was this description before the Railway Committee?

Mr. GREEN: Yes, the section is as passed by the Railway Committee, except that it is provided that the road shall be commenced within two years and completed within five years.

Mr. DOUGLAS: I think that the words "or near" which appear as applied to Edmonton, should be struck out. It should read, "at Edmonton," not, "at or near Edmonton."

Mr. GREEN: Yes, "at Edmonton."

The CHAIRMAN: I would call the attention of the committee to Rule 112, which provides that no important amendment may be proposed to any private Bill in the Committee of the Whole House unless one day's notice of the same has been given. I am subject to the direction of the committee as to whether this may be deemed an important amendment within the meaning of this rule.

Mr. GREEN: I do not think the House will consider this an amendment of any importance. If any objection is taken, I am ready to move that the Bill be referred back to the Railway Committee. But the change is simply to allow the company to commence within two years and complete within five years, instead of commencing and completing within five years, as provided in the section as it stands.

Section as amended agreed to.

On section 4—acquisition, transmission, and delivery of electric and other power:

Mr. GREEN: This is the standard clause.

Mr. OLIVER: I do not know who drafted the standard clause, but I would point out that there is the possibility under this section that the company holding this charter might exercise its rights as an electric company without having exercised its rights as a railway company. That is to say, this charter might be used as a cover for acquiring power rights without providing a railway. There is no objection to the railway using its right of way or its authority for this purpose if it becomes established as a railway; but it is not the intention of Parliament to give the rights of a railway company to a concern that is merely for the distribution of power—at least, I take it for granted that that is not the intention of Parliament.

Mr. GREEN: This is simply the standard clause inserted in these charters in this and other sessions. I do not see why a different clause should be made for this Bill. If the

remarks of the hon. member for Edmonton (Mr. Oliver) apply to this Bill, they apply equally to every other similar Bill passed within the last two or three sessions.

Sir THOMAS WHITE: Under the provision of the section in question, the right of the company to acquire electric or other power or energy is limited to the purposes of its undertaking—that is, its own purposes—and it may dispose of the surplus thereof. I think that unless the company should not proceed with its undertaking, it would not have the right to acquire power or energy. However, this is a standard clause, and I should think it would be inexpedient just now to raise the question to which my hon. friend has referred.

Mr. OLIVER: I do not see why it is inexpedient to raise the question, even though it has not hitherto been raised. Even in Parliament we live to learn; from time to time conditions are discovered that had not been observed before. This railroad has as much prospect of being built within two years as has a railroad to the moon. If it has any purpose, that purpose must be connected with the development of power. If it is the intention of Parliament to grant blanket power rights, as they do in the case of railway charters, well and good; but I do not take it that that is the intention of Parliament. Inasmuch as there is some question in the matter, I think that in all fairness that question ought to be settled now.

Sir THOMAS WHITE: We might dispose of the matter by adopting the Bill in committee and dealing with the question on the third reading. The section expressly states that the power which the company may acquire shall be for the purposes of its undertaking and subject to the provisions of section 247 of the Railway Act. No good reason appears to have been given why this company should be singled out for exceptional treatment. In view of the fact that this is a standard clause, and that section 247 of the Railway Act makes provision relative to a company of this kind which may acquire power and use the surplus, it would seem to me that the committee would be safe in adopting this section. Then, if my hon. friend desires to raise the question on the third reading, it might be more conveniently dealt with at that stage.

Mr. OLIVER: I should be very glad to accept the view of the Minister of Finance, but if the details of any private Bill are to be considered, they should be considered either in the standing committee or in the Committee of the Whole. As the point was not raised in the standing committee, here and now is the place to have it raised and settled. I did not hear the route of the railway laid down, but I am under the impression that the route approximates certain valuable water powers. There is a possibility that we may grant to this company rights and powers in regard to these water powers, while the company is professing merely to desire a railroad charter, and Parliament is professing to give them no more than that. If they build a railway let them have the benefit of the standard clause; but I certainly wish to have it provided that they shall not get the benefit of the water power clause unless the railroad is built.

Mr. GREEN: This Bill is simply a renewal of a charter already granted. The company may not use this power unless it appertains to their undertaking. This particular section was inserted not by the promoters of the Bill, but by the Railway Committee. I do not see why this company should be singled out for special treatment so far as the standard clause is concerned. I would suggest that the Bill pass through committee in the ordinary manner, and if there is any reason for objecting to this particular clause in the Bill, the matter might be taken up when the Bill comes up for third reading.

Mr. OLIVER: This is the time and place to raise any point such as I have raised. Of course, if the majority of the House think that the point is not well taken, I shall not delay the committee, but in my humble judgment the question is a very important one, and is very pertinent to this particular charter, whatever may have been the case with regard to other charters. I should like to have the matter settled now.

Mr. MEIGHEN: If I have caught the apprehension of the hon. member for Edmonton, it is that the company might, while masquerading as a railway company, be in existence only for the purpose of developing and selling power; that it might, in a word, undertake to develop power without building a railway at all. The hon. gentleman suggests that the company might argue that though the railway was not built, the power was being developed for the purposes of the railway when it should be built. I would not like to undertake to give a judicial decision as to the possibility of this taking place under section 40. The com-

pany might, of course, even though its undertaking were not actually in operation, be developing power for the purposes of that undertaking, and might argue that it had the right to sell that power under those conditions. I draw the attention of the hon. member for Edmonton to the latter phrases of the section, by which the company is forbidden to sell any power, except with the consent of the Railway Commission. Supervision is reserved to that commission, which must fix the rates. I understand that clause was framed by that commission itself. The commission would have power, should they come to the conclusion that the company, while pretending to be developing power for the purposes of its undertaking was not yet in esse and was really selling power, to refuse to that company the right to sell at all. It would have power to refuse that company the right to sell at all. We have therefore the protection of the first phrase. which says, "for the purposes of the company." Then we have the protection of Section 247 of the Railway Act. And further we have the protection of the Railway Commission. Consequently I do not think we could improve matters much by referring the section back.

Bill as amended reported and amendments concurred in.

The following Bills were considered in committee, reported, read the third time, and passed, without discussion:

Bill No. 5, respecting The Canadian Northern Ontario Railway company.—Mr. Morphy.

Bill No. 9, respecting The Peace River Tramway and Navigation company.—Mr. Douglas.

Bill No. 10, to incorporate Les Sœurs de l'Assomption de la Sainte-Vierge.—Mr. Lemieux.

Bill No. 11, respecting British America Nickel Corporation, Limited.—Mr. Northrup.

Bill No. 12, respecting The Calgary and Edmonton Railway company.—Mr. Douglas.

Bill No. 20, respecting Queen's University at Kingston, and to amalgamate therewith The School of Mining and Agriculture. —Mr. Nickle.

SECOND READINGS.

Bill No. 28, respecting the Kettle Valley Railway Company, and Vancouver, Victoria and Eastern Railway and Navigation Company.—Mr. Green.

Bill No. 36, respecting the Joliette and Lake Manuan Colonization Railway Company.—Mr. Guilbault.

THE BUDGET.

Consideration of the proposed motion of Sir Thomas White (Minister of Finance) for Committee of Ways and Means resumed.

Mr. J. E. ARMSTRONG (East Lambton): Mr. Speaker, I have listened with a great deal of interest and pleasure to many of the speeches that have been delivered in the course of this debate, and I must congratulate the members who have taken part on the reasonable criticisms which they have offered. We have heard a great many splendid patriotic utterances this session, and I am sure we all appreciated the speech delivered by the hon. Minister of Trade and Commerce (Sir George Foster) the other evening. I would even go a step further than the Minister of Trade and Commerce, and say that bitter partisan politics will not be displayed on the floor of this Parliament for many years to come; nor do I think they will be exhibited to any great extent in the country districts. There were two memorable speeches to which I would like to refer. I congratulate the right hon. the leader of the Opposition on the splendid tribute he paid to the late Sir Charles Tupper, and also upon the speech he delivered on the extension of the life of Parliament. I am sure that these speeches will be read with a great deal of interest and pleasure in years to come. We also feel deeply grateful, especially those on this side of the House, for the splendid effort of the Finance Minister (Sir Thomas White), when he placed before this House and the country this excellent Budget. While it is open to reasonable criticism, we must recognize the fact that Canada is at war, that she is fighting for her very existence, and that the people must expect exceptional war measures will be introduced from time to time until the close of the war and that extraordinary taxes must be collected in order that we may carry to a successful conclusion our share of the struggle. I am sure that after all is said and done we can do nothing less than congratulate the Minister of Finance and the Government upon placing before Parliament such a splendid measure for demanding a reasonable share of the profits of the great manufacturers and financial institutions of the country. Never let it be said again that the Government are tied

up to the great financial, railway, and manufacturing interests. Never in the history of the country has a Finance Minister attempted to gather from the financial institutions of Canada a reasonable and fair portion of the immense wealth which they are taking from the people. While it is true that some of our prominent men say that this is radical legislation, that it is bordering on socialism, yet, in talking with a number of prominent manufacturers and business men since the Budget was introduced, I have been assured by them that they are willing to assist in providing the means for carrying on the war and that they will gladly pay the portion that is demanded of them by the Minister of Finance.

It has also been said that this is a Budget in favor of the agricultural interests and the workingmen. Well may it be so said. The workingmen and the farmers are left free as far as this new taxation is concerned. On the other hand, one of the great departments of agricultural industry has been assisted by an added duty.

We have listened to-day to the address of the hon. member for North Oxford (Mr. Nesbitt) and I hope he will not expect me to deal with many of the matters which he brought forward. He urges that economy be observed by every department of the Government and I am sure that the members on both sides of the House earnestly hope and believe that the Government will exert their best efforts to promote economy in every branch of the service. He calls attention to the Estimates. The hon. gentleman knows full well that the items in the present Estimates that were left over from last year are revotes. The Government have already explained that they do not intend to go on with the public works to which these items apply until such time as they have sufficient funds to continue them. Should the war cease before the end of the year, and should they have sufficient money to carry on these public works, hon. gentlemen opposite will not complain about carrying on works which they were willing enough to pass at the last session.

We also found the hon. member for North Oxford making the statement that the duty on apples would be meat for British Columbia and poison for the West and that the Ontario fruit growers had not asked for a duty on apples. A similar statement was made by the hon. member for Halifax (Mr. A. K. Maclean) in his speech on the Budget. He said:

> In my judgment in no province of Canada outside of British Columbia are the apple growers interested in this increased duty.

Let me call the attention of these hon. gentlemen to the fact that on the seventh day of last month the fruit growers of Ontario met in the city of Toronto and passed a unanimous resolution whereby they appointed delegates to go to Ottawa and urge upon the Finance Minister the need of an increased duty on apples. In face of that we find hon. gentlemen opposite saying that the fruit men of Ontario did not ask for this, did not need it and did not want it. These gentlemen came to Ottawa, and I had the pleasure of introducing them to the Finance Minister; so I feel that I know what I am talking about when I make the statement that the fruit growers of Ontario are deeply interested in this question and are very anxious that this duty should be placed on apples. It will be recalled that five years ago 1,400 fruit men from Ontario met in the old chamber of the House of Commons and urged an increase of duty on the then Government. Hon. gentlemen opposite must appreciate the fact that as far as the Ontario fruit growers are concerned they are vitally interested in this question. You must also take into consideration the fact that the fruit-growing industry is one of the greatest that we have in Canada according to Mr. C. C. Moore, the market expert of the Department of Agriculture, who states that $127,000,000 is invested in that industry. Of that sum the following amounts are invested in apple orchards in the different provinces:

9 p.m.

Ontario	$50,000,000
British Columbia	20,000,000
Nova Scotia	20,000,000
Quebec	10,000,000

This is therefore an enormous industry and one worthy of the consideration of this House.

Let us look at a few more facts in connection with this industry. For many years past both the old Government and this Government have been sending out literature to foreign lands urging people to come and partake of the good things we have in store for them in the fruit districts of this country. Tens of thousands of people have come to our shores and spent millions of dollars in the development of the fruit industry, in the hope and belief that they would be able to make use

of the markets of this country. I believe that the people of the provinces of Manitoba, Alberta, and Saskatchewan, are willing to live and let live as far as this industry is concerned, and that they realise the importance of the vast development which has taken place in the fruit industry in British Columbia since 1891. At that time there was only a very small acreage, while to-day 2,500,000 acres of fruit lands are under development in that province. The Department of the Interior are issuing literature showing the great advantages of that province in fruit production. When you remember the enormous acreage that has been planted in apples in the northwestern States, you can readily understand the position in which the fruit men of British Columbia find themselves. The states of Idaho, Washington and Montana have planted so enormously that the estimate has gone forth that they are producing to-day eleven or twelve times as much fruit as they can dispose of in their own country to advantage; 500,000 acres of apple orchards have been planted in those northwestern states, largely for the purpose of disposing of their product in our western provinces. Canada, with her splendid opportunities for the production of fruit and the enormous acreage that she has capable of development, you cannot but agree with me that the time has now come when we should to a reasonable extent look after this great fruit industry. The Government of British Columbia has sent earnest petitions to this Government urging it to place this duty upon apples, and different organizations in that province have also sent delegations to place before this Government the strongest representations in support of an increased duty on fruit. Therefore, in face of the fact that according to the census of 1911, we have in the Dominion of Canada 14,800,000 apple trees, and only 60 per cent of them bearing, it is well for us to consider whether we should allow the great states in the northwest to dump into the western provinces an inferior quality of fruit, as they have been doing during the last few years. I have been urged to state to the House that the fruit growers' associations of the provinces of British Columbia and of Ontario believe that they will be able to deliver fruit in the western provinces at a price not exceeding the price now being paid by the people living there. The people of the western provinces, the Grain Growers' Association and the United Farmers of Alberta, should take into consideration the fact that the fruit trusts of the United States have control of the sale of fruit in the different towns and cities of their provinces. If they investigate, they will find that such is the case; and in future, if this additional duty is imposed, and if the Grain Growers' Association and the United Farmers of Alberta will get in touch with the fruit growers' associations in the provinces of British Columbia and Ontario, they will find that these associations will gladly meet them and ship to them at a small profit the enormous quantities of fruit which they require, and I hope that they will take advantage of the offer of these associations.

Canada is one of the largest apple producing countries in the world; she exports to-day apples to the extent of 1,200,000 barrels per annum. Now, some hon. gentlemen from the eastern provinces have said that the fruit growers of Nova Scotia do not need this added protection. For instance, the hon. junior member for Halifax (Mr. A. K. Maclean) said that the proposed increase would not be of any value to the province of Nova Scotia. I cannot but believe that when the hon. gentleman made that statement he was not closely in touch with the apple producers of that province. Although this province is a large exporter of apples and its market is the export trade market, its apple growers must expect that, unless some protection is given in the western provinces the fruit production of Ontario will interfere materially with their export trade. Only sixty per cent of the enormous area bearing, and we cannot tell what the production will be when all the orchards that are already planted come into bearing.

The hon. junior member for Halifax also made the following statement:

> I do not believe that the imposition of this duty will be of any advantage to the apple industry of British Columbia.

I do not need to argue that point; I think hon. members on both sides will readily understand that the imposition of this duty will be of untold benefit to the apple producers of British Columbia.

Let me give just one instance in which an increase in the duty on fruit has not increased the cost to the consumer. In 1874 the men who were interested in the grape industry of this country came to Parliament urging that the duty on grapes be increased. The Government of that day increased the duty by ten per cent, but the

grape growers found that it was impossible for them, with that small duty, to develop the industry, and so they came back, and in 1879 the Government raised the duty to two cents per pound. What was the result? The grape growers of this country planted out extensive vineyards, and within a few years the people of Canada were able to buy grapes at a lower price than the duty charged on them. What do we find to-day? In the Niagara district, in the fall of the year, grapes can be purchased at one and a half cents per pound, and that condition of things has existed for many years past.

The hon. junior member for Halifax gave us to understand that the increased duty on oil would not be of benefit to the farmers of the West. So far as gas and fuel oil is concerned, the farmers of the West do not use it in any quantities worth speaking of. Gas and fuel oil is used largely on the railways through the wooded areas of this country. The Canadian Pacific railway, the Grand Trunk Pacific railway, and several other railways are using gas and fuel oil extensively. While I have no intention of criticising the placing of an import duty on this article, I would suggest to the Minister of Finance that, after the war is over, he will probably find that the munition plants, which are using enormous quantities of this gas and fuel oil at present, will not require it in large quantities. I hope that when that time comes he will give to the railways the use of this oil for motive power and the advantage of importing it free. My reason for this suggestion will be explained by a reference to the report of the Commission of Conservation. On page 44 of that report I find this statement:

Locomotive Fuel.

Oil fuel is in exclusive use on 477 miles of the Canadian Pacific railway, on 134 miles of the Esquimalt and Nanaimo railway, and on 115 miles of the Great Northern railway, a total of 726 miles, all in British Columbia. In no case has a definite report been submitted of a fire caused by an oil-burning engine in Canada. The Grand Trunk Pacific railway has announced that during the spring and early summer of 1915, oil-burning engines will be installed on that portion of its lines in British Columbia and Alberta between Prince Rupert and Jasper, a distance of 718 miles. It is expected that this action will materially decrease the danger of fire along this portion of the line. The use of oil fuel is purely voluntary with the railways, and its adoption is dictated altogether by business considerations.

Anything that we can do towards conserving our great natural resources, our timber resources as well as others, should be done, and quickly done. When we consider the enormous fire waste constantly going on in those timber areas traversed by railways the benefit to the people of any steps to prevent forest fires is at once apparent. Hon. members who have travelled over the new Transcontinental lines must have seen the wilful waste of our great forest wealth under the conditions which have been allowed to exist in the building of our great roads. Tens of thousands of acres of timber and pulpwood lands have been burned over, and not for generations, can that forest cover be restored. I offer my suggestion not in a faultfinding way to the Minister of Finance. I do not say that the great corporations seriously complain about this duty, but I do say that it is worthy of the minister's consideration whether this duty should not cease with the end of the war, providing the production of crude oil in Canada does not increase. Unless we can encourage the use of this fuel, or can compel the railways to use electric power on their lines through our forest areas, we may expect that the enormous losses of the past will be repeated by the further destruction of our forests.

One other statement was made in this debate, and this is practically the last to which I shall refer—the statement made by the hon. member for Medicine Hat (Mr. Buchanan) in the quotation of a long communication from a farmers' organization in his district. The hon. gentleman said that there were 800 of these men, and that one of them had stated that the price of gasolene had increased from thirty to fifty per cent. Knowing the hon. member from Medicine Hat to be a fair-minded man, I was somewhat surprised that he did not take into consideration the fact that gasolene was free of duty except for the duty of 7½ per cent imposed last session. This would amount to only a little over one cent a gallon. That being the case, the hon. gentleman should not have presented to the House a statement that would lead the people to believe that this Government was responsible for great increase in the price of gasolene. I do not believe that he so intended it, and I cannot help thinking that he will tell the people of his section of the country that they were mistaken in this regard. They could have brought in tank cars or tank wagons, and so could have obtained the gasolene at the price in the market of production, plus the duty of about one cent a gallon.

As a number of questions have been asked in the House, and as I have been asked personally many questions on the subject, I feel that I should put on record a few facts, in order that honourable gentlemen may understand more about this product. Gasolene of Canadian quality still comes in free of duty, except for the 7½ per cent war tax imposed last session. The gasolene largely used in the United States is not allowed in, owing to its heavier quality. Canadian gasolene costs two cents a gallon more to manufacture, and is much better. The gasolene used in many districts in the United States is five points below the Canadian product, being 59 beaume, as against 64 required by the Canadian regulations. Regard must be had also to the difference in the size of the gallon. In the United States they use wine measure, while in Canada we use imperial measure, which is about one-fifth larger. Allowing for the size of the gallon and the quality of the oil, even with the war tax, the price of gasolene is not higher in the principal centres of Canada than at corresponding points in the United States.

The price of gasolene to-day in Detroit per wine gallon from the tank wagon is 18 cents, or equal to 21 cents per Imperial gallon. Under item 272 of the tariff, gasolene under ·725 specific gravity at 60 degrees temperature is admitted into Canada free. The gasolene offered for sale from the tank wagons in Detroit would not qualify for admission free into Canada, since it is 59 beaume, or ·7407 specific gravity. It is an altogether heavier gasolene, costs about 2 cents per gallon less to manufacture and can be purchased at 2 cents less in the market. Crude oil in the United States, from which so much of the Canadian gasolene is made, costs to-day two and three times as much as it did nine months ago. For instance, in the mid-continent fields it sold for 40 cents a barrel a year ago, and to-day is selling from $1.30 to $2 per barrel, or from 3½ to 5 times as much as it did then. The war in Mexico for the past two years, together with the shutting off of the production in Roumania, Central Europe, and Russia, appears to have left the world dependent on the United States supply. These causes, together with the enormous increase in the uses to which gasolene is put, particularly the tractors and motors, have all contributed to the rise in price, which has not been peculiar to Canada but has been generally world-wide. The demand for gasolene is now and will probably be during 1916, greater than the available supply, as the production of naphtha-bearing crude oils has not kept pace with the constantly increasing consumption. The large increase in the number of automobiles, motor boats, farm tractors and stationary gas engines has brought the gasolene price to its present level. The following figures will show why the price of gasolene has increased so enormously. In 1905 there were approximately 1,200 automobiles registered in the Dominion of Canada. In 1910, 10,000 cars were in operation and in 1915, 83,000. The automobile manufacturers estimate that in 1916, there will be over 3,000,000 cars in operation in Canada and the United States. In 1905 probably not one gasolene tractor was owned in the Dominion of Canada. In 1910, 2,000 of these machines were in operation, and in 1915, there were approximately 8,000 gasolene tractors in the Dominion. The average high power gasolene tractor consumes a barrel of gasolene every ten working hours. In 1905 it is estimated that only 5,000 stationary gas engines were in use in the Dominion. By 1910 this number had increased to 25,000, and at the present time there are over 100,000 of these machines, all helping to swell the figures for gasolene consumption. In 1905 Canada used approximately 100,000 barrels of gasolene, and in 1910, approximately 390,000 barrels. In 1915 the consumption of gasolene in the Dominion was over 1,300,000 barrels. Most of the gasolene refined in Canada is manufactured from United States crude oil, as the production of crude oil in the Ontario field is not large. Unfortunately the great increase in the number of gasolene consuming machines has not been followed by a proportionate increase in the production of crude oil; in fact some of the large naphtha producing crude oil fields in the United States have shown a marked falling off in production. The great Cushing field in Oklahoma is now producing considerably less than 100,000 barrels per day, as against 300,000 barrels per day which it was producing a year ago. My hope is that some inventive genius will evolve a practical kerosene carburetor which would enable a large proportion of the motor driven vehicles to operate with refined oil as fuel. Refined oil is a drug on the market. The price of gasolene has increased by leaps and bounds. For instance, in the city of Toronto for the past seven months, tank wagon prices per Imperial gallon were as follows:—August 1, 13½c.; September 1, 16c.; October 1, 17c.; November 1, 18½c.; December 1, 22c.;

January 1, 24c.; February 1, 25c. The same prices pervailed in other large cities near the International boundary line.

I am very glad to have the privilege of referring these matters, which are of interest to the district that I represent. We all appreciate the significance of the fact that this country is in the throes of a great war. The northern half of this continent is ours—ours to maintain and to develop. If the national ideals of Germany should ever hold sway in this country, we should lose the privileges and liberties that are our common heritage. It is hardly necessary to say that we decline to accept the national ideals of Germany, of Austria, or of Turkey. The happiness or misery of eight millions of people, the control and development of hundreds of millions of dollars' worth of productive industry and capital in this country, are at stake. Hon. gentlemen on both sides of the House—indeed, the whole of the people of Canada—are desirous of taking such steps as may bring this war to a successful conclusion. Never was Canada more united in a common cause; never was she more determined to do her part to attain a worthy end. Our brave soldiers on the battlefields of France and Belgium are singing:

> We'll never let the old flag fall;
> We love it the best of all.
> We don't want to fight
> To show our might,
> But when we do, we fight, fight, fight!

Our gallant boys are ready and willing and able to fight for the land they love so well and for the flag they hold so dear. When we realize that Great Britain has trebled her national debt and doubled her taxes, the amount being asked by the Finance Minister to-day seems but small. We should be glad and proud that we have controlling the affairs of Canada men who are able to guide its destinies in the manner in which they are being guided. We all love our country; we believe in her; we live for her; we are ready to fight for her, in order that her territory may remain intact and her name untarnished.

Mr. DUNCAN C. ROSS (West Middlesex): Mr. Speaker, as this is the first opportunity that I have had of addressing the House this session, I trust that you will not think it presumptuous on my part if I tender to you my congratulations upon your elevation to the high office which you occupy. Although my congratulations are late, they are none the less sincere. You possess all the qualities necessary to your office. The university of your native province has marked you as being possessed of scholarly attainments. We on this side of the House feel that, in addition to that, you are so inspired by ideals of fairness, justice and honour that you will be able to hold the scales in equal poise between the parties, unmoved by fear, favour or affection.

I have listened with a great deal of interest to the various addresses of those who have taken part in this debate. I have listened to none with more interest than to the hon. the Minister of Trade and Commerce (Sir George Foster). It is always a pleasure to listen to him; we esteem him one of the first orators of Canada. We know his wide experience in public life, and we know his intense patriotism and love for his country. His speech of a few days ago was only another instance of that eloquence, another manifestation of that patriotism. As I listened to him my mind travelled back over the space of several years, and I thought of a speech which I heard him make in 1910 when I had newly come to this Parliament. I think that, without exception, it was the most eloquent speech I ever heard. He then dwelt on the necessity of Canadians being able to fight for themselves, on the prowess of Canada, on its future potentialities and on all its coming greatness. I sat and listened to him in open admiration, as did every member on this side of the House. The other night he spoke to us about the evils of politics in this country and the evils of the patronage system, and I concurred also in all he had to say. My fear is only this, that the hon. minister may do as he did in 1910 when, a few moons having passed, the minister took a double back somersault in the air. I fear that now he will not, in the council chamber, inspire in the Prime Minister the same views that he expressed in this House on the evils of patronage and will not, as a member of the Privy Council of Canada, endeavour to do away with what he describes as this monster of iniquity, the patronage system. I hope he may, because I think patronage is one of the great evils of this country.

I wish first to discuss a few things that affect this country in relation to the war. Many of these matters have already been touched upon in a very able manner by the hon. member for Edmonton (Mr. Oliver). Some things which he said should be accentuated, and in my humble way I am going to associate myself with him in urging these matters. In the first place, I think if we are going to carry on this war to a success-

ful issue, as we certainly are, and if we are going to get 500,000 soldiers to fight for King and country, we must make sure that these soldiers are going to the battlefield with perfectly contented minds and that they feel satisfied that the dear ones they are leaving behind will be protected just as if they were remaining at home. They must feel sure that if they are injured on the field of battle they will be taken care of and if they lose their lives the dear one they leave behind, wives, mothers and children, will receive generous protection from the people of this country. It seems to me we cannot be too careful about this matter and that, although our allowances are generous to the woman and children left behind, they are not placed upon a proper basis. I was struck by a remark of the hon. member for Simcoe (Mr. Currie) who spoke of a man fighting in the trenches, under his command, a noble, brave soldier, one worthy of the Victoria Cross, a man who had left a wife and twelve children behind him. I could not get a better instance to typify or symbolize what I wanted to say. Here is a married man in the field, fighting the battles of liberty in Canada, with twelve children at home, and this country gives that wife the paltry allowance of $20 a month for her sustenance and that of her family. I think in this regard we are derelict in our duty. The British system is far better and I cannot understand why the principle we have adopted in regard to our pensions is not followed in regard to our separation allowances. Whether a man is dead or alive, his children will require as much to support them. If a man dies on the battlefield his widow has certain allowances, and she gets a certain allowance for each child. Why should not that system be followed also in regard to our separation allowances? For my own part I think the same principle should apply, and that some change should be adopted by this Government in that respect. I would like to emphasize the point made by the hon. member for Edmonton, that the pensions given to the rank and file of our soldiers, particularly those in the lower ranks, are insufficient. A single man who has been totally disabled in the face of the enemy receives from this country $22 a month, and he is also entitled to an allowance of $7.33 a month for an attendant. It strikes my judgment that this is not sufficient to give to a man who has risked his life for liberty and for this country, and comes back here totally incapacitated from earning a living for himself. I would commend to the favourable consideration of the Government a pamphlet issued by a committee of which Mr. Frank Darling is chairman, and I should wish to associate myself with the suggestions in that pamphlet, because they are all worthy of commendation.

We are engaged in the most terrible war that any land has ever been engaged in; the fury and fanaticism and strife and turmoil and noise of battle in this war are such as have never occurred before. Men are not only losing their lives and their limbs, but, what is even more pathetic and sad, men are losing their reason; men are having their nervous systems shattered; quite a few of them have come back to this country with those sweet bells of the mind jangled out of tune; and it seems to me that some special provision should be made for them. Up to the present I believe no special provision has been made. These men should not be put in the ordinary insane asylum, but special institutions should be built for them where they will receive unusual consideration, as there is no real life for them in the future.

The treatment of our officers is not very liberal, and should be improved. I was not aware until recently that they are treated less liberally than the British officers; I thought they received a little more; but the fact that they are paid less only accentuates the argument I wish to make. As I understand our present system, an officer who joins the active forces to-day is allowed by the Government $150 for uniform and accoutrements. As I understand the English system, a similar allowance is made to the British officer, but while our Canadian officer receives only one allowance for this purpose, no matter how long the war lasts, the British officer receives an allowance when he first goes on service, and each year thereafter receives about £20 for uniform and accoutrements. That is only just treatment of our officers. Their clothes cannot last for ever; in the struggle and strife of active army life their uniforms must wear out and become soiled, and I think it only fair that these officers who are risking their lives should receive an allowance of say $100 a year to replenish their uniform and accoutrements.

I shall not follow seriatim what the hon. member for East Lambton (Mr. Armstrong) has been saying. My hon. friend is my nearest neighbour, and we have ever been friends. He has been a constant visitor to West Middlesex for many years. He

always comes probably when we least need him; but if his visits have been as pleasant to him as they have been innocuous to me, I do not mind how often he comes. Some day in the future I may do myself the honour of returning some of them, and I hope that my visits to his constituency will have better results than he secured.

My hon. friend discussed the question of apples. He made some remarks in regard to apples which I could not follow. The part of the country from which I come is a part in which many apples are grown, the best apples in the world, I venture to say, not excluding those grown in the county of Lambton. I cannot understand the solicitude of the hon. member for East Lambton for the apple industry of this country. I could not follow his argument. He said, forsooth, that the apple growers of this country had 14,000,000 trees, that it was a great industry, and that the apple growers had sent petitions and delegations to the Government asking to have their industry protected. I cannot see that that is any reason for giving them additional protection. I cannot understand why the hon. member should have got so much worked up over this small industry. I have heard it said during the past four or five years that thousands of men had come from the West to interview the Government, men who are engaged in a very important industry, in which sixty per cent of the population of Canada are engaged, and in which from four to eight billion dollars are invested, and yet I have never heard that this Government acceded to their requests. The farmers of the West and of the province of Ontario have come here in thousands asking for the privilege, not of giving their particular line of production protection, but of giving it some freedom, and I have never yet heard that the Government considered that a good reason for acceding to their requests. At any rate, they have not done so. One reason given by the hon. member for East Lambton for the proposed increase in the duty on apples was that the people in the West were getting an inferior grade of apples. I take exception to that remark of the hon. member. I know of what I speak; I know that the people in Winnipeg, and further west, get apples from the good old province of Ontario, from the county of Middlesex as well as from other counties, and I defy any man to prove that the apples from Middlesex county, or from Lambton county, are inferior to any apples in the world. I think the hon. member for East Lambton was giving the industry in his own county, about which he is so solicitous, a black eye, and I do not think the apple growers of Lambton or of Middlesex will thank him for it.

Mr. J. E. ARMSTRONG: I know that the hon. gentleman has no intention to put words in my mouth which I did not utter. If he will read to-morrow's Hansard he will find that when I referred to inferior fruit going into the Northwest provinces, I was referring to inferior fruit from the Northwestern states, and not from Ontario or from British Columbia.

Mr. ROGERS: We always get good fruit from Ontario.

Mr. ROSS: I owe the hon. gentleman an apology. The inference I drew from his words—I may have misunderstood him, and I do not wish to put words in his mouth—was that the apples going into the Northwest provinces were inferior apples, and I naturally assumed that he had reference to Ontario apples, because Ontario apples go in thousands of bushels to the West.

This cry of protection is the old Conservative doctrine. The apple grower has to be protected because, according to the hon. member for East Lambton, it is a great and growing industry in which millions of dollars are invested, and the people engaged in it do not understand their business. Of course, in Canada we cannot do anything as well as it is done in the United States. Our people have no initiative, no brains. We cannot build ships, and we cannot grow apples; we cannot do anything that intelligent people ought to be able to do. We cannot stand on our own legs, but we must get subsidies from a paternal Government. For my own part, I think it is about time that we in Canada were getting beyond that stage of affairs. I think this war has taught us, at all events, that we can build our own ships, and I can speak for the farmers of Middlesex when I say that they do not thank this Government for any extra duty on apples. It is all very well for us to say that we are going to build up a big apple industry in this country, but there is one thing that we must not forget. There is a class called the common people to whom apples are an absolute necessity. The apple is the orange, or the grapefruit, of the common people. I contend that in the solicitude of this Govern-

ment to help the apple trade, they should not forget the labouring man and they should not make fruit, which to him is a necessity, dearer and harder to procure. That is one of the great reasons why this extra duty is not right and is not in the interest of the country. There is no reason why the workingmen should pay tribute to the orchard owners of British Columbia.

There is another matter to which I would like to refer; it has reference more particularly to the finances of this country. The Minister of Finance told us in his Budget speech about some loans which he made. I want to discuss everything as far as possible in an unpartisan spirit, but I do not think that the loans made by the Minister of Finance greatly redound to his credit. Let us take, for instance, the loan which he told us he made in the United States. It was made, as he told us, to cover the capital expenditure in connection with the public works of this country. For my part, I think it would have been much more creditable to the Minister of Finance if he had cut down the capital expenditure of this country, so that it would not have been necessary to borrow $45,000,000 from the American people.

Again, Sir, I think he made a loan which was not advantageous to the people of this country, and in which he did not show that keenness and financial ability which the Minister of Finance in this country should be endowed with. Let us look into this matter for a moment. He borrowed $45,000,000 from New York, and $25,000,000 of that amount was to be paid on August 1, 1916, and the balance of $20,000,000 on August 1, 1917. What were the facts in regard to loans at that time? The provinces of this Dominion were borrowing money in New York at the rate of five per cent, and the municipalities at the rate of five per cent. The great financial corporations of this country were doing the same. It is axiomatic in financial matters that, the standing of the Dominion being superior to that of the municipalities or corporations, Canada should be able to finance a loan of that magnitude at a lower rate of interest than the lesser bodies. At that very time Britain had borrowed three billion dollars at four and a half per cent, and the British loan was subject to income tax. The Minister of Finance took care that the loan he made in the United States should be exempt from income tax. The result was, that so far as Britain was concerned, while it was borrowing at four and a half per cent, it was really borrowing at four and a quarter. The Minister of Finance borrowed his $45,000,000 and agreed to pay interest half yearly, whereas the interest on the British loan, and on municipal loans, is payable yearly. The Minister of Finance also undertook to pay the money back in gold in New York, and in addition he gave the buyers of the loan the privilege, to be used at any time within three months of the time when the loan matured, of buying Dominion bonds, thus compelling the people of this country to pay to the money lenders in the United States the sum of five per cent for twenty years. Besides that, the Minister of Finance paid the New York brokers who consummated the loan three quarters of one per cent commission. What does all this mean in loss to the Canadian people? The Minister of Finance puts the municipalities in this position, that if the Dominion Government has to pay five per cent for American money, it necessitates the municipalities paying a higher rate than five per cent.

However, let us take the matter as it is. This money should, and could, have been borrowed, if the minister had been astute, at four and a half per cent, the rate at which Great Britain was borrowing. The fact that it was not borrowed at four and a half a cent means a loss to the tax-payers of $325,000. That, taken in connection with the three-quarters of one per cent paid to the American bankers as commission for consummating the deal, which means an additional loss of in the neighbourhood of $376,000 to the people of Canada, brought about by the carelessness of the Finance Minister, makes a total loss of somewhere in the neighbourhood of $750,000. I think it would be wise for the party in power, if they would in future have no truck and trade with the Yankees in regard to borrowing money unless they can send some man over to New York who will be a little keener in dealing with Morgan & Company than the Minister of Finance was in this case. I believe that if Mr. Fielding had been negotiating that loan we would not have had the people of Canada paying five per cent for $45,000,000, and we would not have run the risk of being bound for twenty years to pay five per cent on a loan of this magnitude.

I am going to deal for a few moments with the taxation which has been placed upon companies and corporations. I appreciate as well as any man in this House the necessity of raising money to carry on

this war, and I believe the people appreciate it, but, for my part I cannot follow the Minister of Finance in his argument or in his action in connection with these taxes. What I propose to say may, to some extent, be a repetition of what has been so ably said by my hon. friend the junior member for Halifax (Mr. Maclean) and by my hon. friend from North Oxford (Mr. Nesbitt), but there are some things about this taxation on corporations that seems to be so unjust and inequitable that I am sure I will be pardoned if I reiterate some of the objections which have already been raised against it. In the first place, it is my contention that, although the Minister of Finance in his address, discriminated between different classes of companies himself, when he came to the question of taxation, he failed to discriminate between them. Speaking, at page 849 of Hansard, he said:

10 p.m.

> Now, Mr. Speaker, there are in time of war many businesses and industries, which for one reason or another are able to maintain profits above the average return to capital in time of peace. There are others whose profits arise directly from the manufacture of munitions or the furnishing of supplies in connection with the war itself and are in some instances of abnormal character. It has appeared to the Government that persons, firms, and corporations whose profits have been such might well be called upon to contribute a share to the carrying on of the war. Their position being advantageous as compared with less fortunate fellow-citizens, it is just that a portion of their advantage should be appropriated to the benefit of the state.

That seems to me reasonable, but I do not think the Minister of Finance has carried his ideas out in his taxes. I think there should be a difference between taxes which are imposed on companies manufacturing munitions of war, that have made themselves rich to the extent of hundreds of thousands and millions of dollars of the money of the people, and corporations which have made their money in another way. The munition factories and manufacturers are simply the outcome of this war. They have not helped to build up the country. They are helping to defend the country, it is true, but they are being mightily well paid for it. This tax on the munition factories is, I say, an absolute admission by the Government that their treatment of the munition factories, and the way they gave them contracts, was a mistake, that it was wrong, and that it was not in the public interest. But, Mr. Speaker, these factories, when the war is over, are not going to help in the development of Canada; they will be out of business, they will not be employing men, and in the past they have not helped to develop the country. We have nothing to thank them for as far as that is concerned. Take the industries which, in so far as taxation is concerned, are being put on the same basis; take an institution like the Canadian Pacific railway, which has helped to make this land great; take all our large manufacturing establishments, which have helped to make Canada the prosperous country it is, in which men have struggled and wrought, and into which men have put their money, and in which men will struggle, will work, and into which they will put their money in the future, and which will make this country still greater, and I think you will agree with me that there should be discrimination between the taxes put upon munition factories and the taxes put upon these factories which are so necessary to the prosperity of Canada. It is not fair, it is not according to the usual canons of taxation to ignore the principles which I am now urging upon the consideration of the House. These institutions are not as well able to bear the load as the munition manufacturers. The munition manufacturers have made hundreds of thousands of dollars in a short time. The ordinary manufacturer has built up his industry and made his money slowly; he has been, and will be, of use to the country, and therefore that a different rate of taxation should be imposed upon the munition factorries from that which is placed upon the more stable industries of the country.

There is another point I would like to accentuate: it is the difference between corporations and partnerships. The proposal of the Finance Minister does not seem fair to me, looking at it from the narrow point of view which I get when applying it, for instance, to my own town. Here is a corporation, say, which is selling dry goods. They adopt the most modern form of business arrangement, that of a joint stock company, and they have a capital of $35,000 invested. Under this proposal you tax them twenty-five per cent on their profits over seven per cent. I think that is not just. In the first place, I think, they should be given more than seven per cent. If you have a stable industry which is making for the development of the land seven per cent is not enough to give the owner as a return on his capital. In our province we can go out and loan our money at six, seven, and eight per cent on legal security which is beyond the possibility

of loss. A man can put his mortgage in his vault and have no further care or responsibility. Here you are going to a merchant who takes all the risks of trade and you are only giving him a profit of seven per cent, when a man can get seven per cent on a mortgage, and you are finding him twenty-five per cent of the balance of his profits. I say that is not just. My argument is this: A corporation is charged with whatever amount of capital is invested. A corporation in the province of Ontario must consist of at least five people; a partnership may consist of as many persons as you like. Suppose that you have a partnership carrying on the same business as a corporation, say a dry-good business, and that it has $35,000 invested. This partnership which is competing with the company, is under no greater responsibility than the company; there may be more men interested in the partnership than in the company; the company has to meet the same emergencies and contingencies as has the partnership, yet the partnership escapes scot free from this taxation. That is not just.

There is another point that I think is unjust in this taxation. In my town there is one of the best furniture factories in Canada, bar none. This factory happened to be given a little order for $5,000 worth of munition boxes or shell boxes. I do not know how they got the order; I was surprised, but I was also glad to see them get it. If this taxation is imposed, this corporation, engaged in the manufacture of furniture and turning out probably $150,000 to $200,000 worth of furniture in a year, will, because it has received a little order for 5,000 boxes at 80 or 85 cents a box, be taxed 25 per cent on all its profits over 7 per cent on the whole of its business. That is absolutely unjust and inequitable. In that case, the company should not be taxed on anything more than on the order for shell boxes.

Besides being unjust and inequitable, this scheme seems to me to be absolutely impracticable and to have many evils connected with it. In the first place, it is going to lead to a great expense to this country. No man can convince me that, under this system, these taxes are going to be collected without scores and scores of officials being added to the many thousands that are already helping to make this country poor.

It also seems to me that it is absolutely impossible for the Minister of Finance to get at the capitalization of these companies. What he said himself in that regard on the 15th of February is not altered to-day. As reported on page 850 of Hansard, he made the following statement:

> We found it a practical impossibility to go behind the capitalization of companies and endeavour to ascertain the precise cash value of their assets as can be done in the case of individuals or partnerships.

If it is practically impossible to go behind the capitalization of companies and endeavour to ascertain the precise cash value of their assets, as can be done in the case of individuals or partnerships, then I say that this taxation cannot be levied equitably; because, if you have to take the actual stock issues of companies as the basis for your taxation, the company that has inflated its capital so that it is half or three-quarters water, is going to escape taxation, whereas the company that has put its earnings into its business and is in a good financial condition, is going, if I may use a vulgar expression, to be bled at the nose, and that is neither fair nor just.

The only just and equitable scheme for the Government to adopt is that of a graduated income tax, which has been adopted in Great Britain and in the United States. Under the scheme brought forward by the Minister of Finance, the wealth of men who have their money in bonds or in real estate is going to be absolutely exempt. These men have just as much right to contribute to the carrying on of this war as any other men. This country has helped to make them rich; its possibilities, its prosperity, and the protection it has afforded, have made their fortunes, and they should be glad to contribute, out of the wealth that this country has assisted them in making, their share of the money required to carry this war to a successful conclusion. Therefore, the proper scheme for any minister of finance at this time to adopt would be that of a graduated income tax, starting at $800 or $1,000, and the percentage increasing as the amount of the income increased. In that way every man would pay, and there would be kept in mind the cardinal canon of taxation that the burden of taxation should fall upon the shoulders of those who are the best able to bear it.

Now I come to what I think is the most important pronouncement made by the Minister of Finance in his Budget speech. He said:

> The future of Canada rests with the development of its great resources, of which the greatest and most fundamental is agriculture, and this development is in turn bound up with the

question of increase in population of the productive sort and the facilities afforded it for the application of its intelligence and industry. It is probable that in the straitened financial conditions which may prevail for some years forward the question of capital for the development of agriculture may be of paramount importance, and it is our intention to inquire carefully during the coming recess into this most important subject, with a view, if desirable in the public interest, to supplementing by federal aid existing facilities in this connection. Particularly will the question of establishment of a system whereby loans at reasonable rates repayable on the amortization principle engage the attention of the Government.

I wish to consider for a few minutes the question of rural credits. The agricultural industry of this country, of which the minister spoke in such laudatory terms, is getting in this case only the bread of promise. I hope it will get the bread itself before very long.

Mr. W. F. MACLEAN: The real bread.

Mr. ROSS: I do not think I need go behind the speech which the hon. Solicitor General (Mr. Meighen) made in 1913 in order to establish my argument in regard to rural credits. The Minister of Finance led us to believe that he was going to establish a system of federal aid on the amortization principle. As I view the present needs of the Canadian farmer, in Ontario and in the West, I do not think this is what he wants so far as federal aid is concerned. The amortization principle means that a farmer gets a loan on his land for a long period, say twenty, thirty, forty or fifty years, and he pays back the money, by means of a sinking fund, in equal annual instalments of both principal and interest. It seems to me that that is not the great need of the Canadian farmer to-day, and in that respect I am going to quote the words of the Solicitor General in 1913. I may say, in passing, that I have listened to several speeches of the Solicitor General. At one time I listened to a speech of his on free agricultural implements. The Solicitor General has probably forgotten that speech.

Mr. MEIGHEN: Oh, no.

Mr. ROSS: It was a worthy speech, more worthy of the Solicitor General than those that I heard him deliver later in regard to the Canadian Northern railway and in regard to cutting off the privileges of debate in this House. Of all the speeches of the Solicitor General which I have admired, this, to my mind, exhibited the greatest study and research, and was expressed with the greatest lucidity. The Minister of Finance at that time approved of the resolution of the Solicitor General, and both these hon. gentlemen were very solicitous about helping the farmer. But now they are putting the cart before the horse and proposing a scheme which they say will promote agriculture; and perhaps it would be partisan for me to say that they are postponing the bigger scheme on behalf of their great allies and friends the chartered banks of this country. It may be unfair to say that. These are the words of the Solicitor General to which I have referred:

> And, as I approach this part of the subject, let me premise that I am not convinced that the time has come in this country, as yet, when the application of the principle of the landschaften bank as now successful in older countries, can be made to advantage in this country. I think we should proceed first along the line of personal credit societies, and that, at least so far as the province with which I am more intimately acquainted are concerned, the time has not yet come when we can import into Canada the central principle of the landschaften bank or land banks as existing in Germany and all the older countries. I say this notwithstanding the fact that the report of the American commission is distinctly favourable to the importation of this system into the United States; I say this notwithstanding that even so high and conservative an authority as President Taft has distinctly and emphatically recommended to the congress of governors the immediate application of the land mortgage banks to the American republic.

I think the Finance Minister and the Government have been derelict in their duty to the agricultural class. Agriculture is the most important industry in this country. The agriculturists have been the mainstay of the country during this war; but for the immense crops of the West we should find ourselves in a most undelightful financial position. These rural credit societies, as the Solicitor General so ably pointed out, are not an experiment. They exist to-day in Belgium, in France, in Germany; they exist under provincial laws in the province of Quebec. They have been an immense success. They have expanded so greatly that in Germany there were, according to the Solicitor General, from 16,000 to 20,000 societies—and there must have been more since, because the Solicitor General stated that they were increasing at the rate of two and a half per cent a day. They have been instrumental in lending to farmers and other producers in Germany as much as $4,000,000,000 a year. They have helped to make the prosperity of Belgium, and of Germany as well; and Japan, as the Solicitor General has pointed out, was so convinced that this is the best system in the world, that she incorporated it holus bolus as a part of her banking system. It seems

to me the Finance Minister could give this system to this country, not a year from now or two years from now, but now. We are not so busy in this House, we are not so engrossed in other matters, that we could not attend to this. We have plenty of time. We should have a measure introduced this session which would give to the people of Canada now, and not several years hence, the great advantage of rural credits as they prevail in other countries.

The advantages of the system are many. As I have said before, the farmer does not want money for a long time, as a rule. I think the remarks of the Minister of Trade and Commerce (Sir George Foster) are quite correct. We are not going to be crowded out of this country by an influx of immigrants from other lands, and so an amortization system to aid immigrants to buy lands will not be necessary. But it is necessary to provide some practical present assistance to the farmer of the West who wishes to buy a cow, a horse, some grain, or something of that kind to carry on his business. A system should be established under which these men could go to their rural credit association and get temporary loans at a moderate rate to develop their farms and so to develop this country. The Solicitor General, in his speech to which I have referred, pointed out that this was the need of the farmer and producer, and what he said is just as true to-day:

I say to the discredit of Parliament we have provided as yet no machinery whatever of a uniform character, which is the first essential, to give the people of this country the advantage of co-operative banking as it obtains in almost every civilized country on the face of the globe. I should have said a few moments ago, that not only has it done great service in all the countries of Europe, but this last year in Japan alone, I believe, some five hundred banks were organized.

I desire to read, also, what the hon. gentleman quoted from a writer of the name of Wolfe. There have been two writers of this name, each of whom has written valuable books on this subject. And the United States has sent two commissions, one appointed by the Government, and another by a central association, to investigate this system. Those commissions travelled throughout Europe, and I have on my desk their reports speaking in the most laudatory terms of this system. The Solicitor General's quotation from Wolfe is as follows:

Personal credit in agricultural Europe is obtained usually by means of the co-operative credit associations. They are also used by artisans and small tradespeople in the towns and cities. These associations are in fact the only banks which the farmers will patronize for short-time loans in the nations where they abound in the greatest numbers. With their aid poverty and usury have been banished, sterile fields have been made fertile, production has been increased, and agriculture and agricultural science raised to the highest point. Their educational influence is no less marked. They have taught the farmers the uses of credit as well as of cash, given them a commercial instinct and business knowledge, and stimulated them to associated action. They have encouraged thrift and saving, created a feeling of independence and self-reliance, and even elevated their moral tone.

And the Solicitor General himself said:

The poorer classes of this country, if they be ever so honest, do not as a matter of practice, and cannot as a matter of possibility, secure the credit to which their honesty entitles them in the commerce of the world. There can be no greater benefit, there can be no greater blessing given to the humbler classes of any community, than to so press out the machinery of our banking system, to so extend it, as to reach those classes of people who are not now served and to enlist in the service of the state and in the full plenitude of citizenship, with all their potentialities and possibilities, the poorer classes of the country. By doing so you perform an educational work the advantage of which is hard to over-estimate. More than that, you teach self-reliance, you teach the great principle of mutual help, than which there is nothing more efficacious in securing the common advantage. You implant in the poor man the thought that this honesty of character, known as it is amongst his fellows, has been sufficient of itself to enable him to get a small loan, and, having implanted that in him, you give him an encouragement that is worth not a little.

It seems to me that I have established the point that the rural credit system has gained favour in all the countries of the world. The Minister of Finance has brought in a Bill to amend the Bank Act, which is fairly good so far as it goes; but it does not go far enough. It is not sufficient merely to amend the Bank Act. In the United States for many years the banks lent money on chattel mortgages, but they are not content with that system. As the hon. Solicitor General knows, a Bill is being considered by Congress to establish a system of rural credits throughout the United States. They have found that simply to accord the banks the privilege of lending money on chattel mortgages is not sufficient to meet the needs of the agricultural people. In this matter we should not be slow in following the example of the American people; we should keep up with the procession, and establish in this country a system of rural credits. I am sure the hon. Solicitor General will agree with me in that respect. We have all the information that we can get. Reports of commissions, opinions of text-

book writers and the experience of other lands show that this system is no experiment. The words of the Finance Minister simply mean that he is making a promise to the rural people that it will take him a long time to fulfil, and that money is being wasted without necessity.

Mr. MEIGHEN: I cannot fully express the pleasure I have in feeling that I have so able a colleague in this matter as the hon. member for West Middlesex.

Mr. ROSS: The hon. gentleman has been too slow.

Mr. MEIGHEN: A Bill relating to this matter was introduced, I think, the session before the special war session. I am free to say that the Government is in favour of legislation of this kind; it is entirely a matter as to whether its importance justifies its introduction at this time. This is the point I want to make: while in the province of Quebec the banks are established under the ægis of provincial legislation, they flourish in the province of Ontario without the advantage of any legislative acts at all. Would the hon. member give to the House his views as to the banks were they to operate under uniform Dominion legislation instead of without legislation at all?

Mr. ROSS: I am obliged again to refer my hon. friend to his own very able speech. The hon. gentleman said that if we had uniform rules and regulations all throughout the Dominion, a farmer going from Quebec or Ontario to Saskatchewan would know exactly what the system meant, having enjoyed its benefits in his native province; and he would be able to take advantage of it in his new location without delay or difficulty. That was the great advantage that my hon. friend pointed out as the undoubted result of uniform federal enactment in that regard. I think it is certainly a very good point.

The people of Canada are not afraid of the future. They are rich, prosperous, happy and contented. As long as the taxes deemed necessary to carry the war to a successful and permanent issue are just and equitable and fair, you will hear no outcry from the people. I do not say, Mr. Speaker, that the people of Canada approve of all the taxes that have been imposed by this Government. The majority of the people of Canada were very much opposed to the increase in the British preferential duties introduced by the Government last session, and passed by this House. I do not believe that the people will approve the taxes that have been submitted by the Minister of Finance in his Budget of this year. The people of Canada all throughout this land are doing more than the Government are asking them to do by way of taxes. I am going to refer for a moment to my native county. I do not think that it is parochial to do this, because what the people in my county are doing is typical of what is happening in every province of Canada, and in every country of the British Empire. The people of Canada are not afraid of taxes that are just, because they are voluntarily giving of their substance, out of their plenty and out of their scarcity, to assist the Government in carrying on this war. They are giving not only their money, but their blood as well. My heart throbs with pride and emotion when I recall the sacrifices that have been made by many of the young men of my county and by its noble women in order that Canadian homes and Canadian women and children may enjoy freedom and happiness. The same tale, Sir, can doubtless be told of every county in this country; but, in passing, I am constrained to drop a laurel leaf of appreciation, praise and gratitude upon the memory of those of my county who have gone to the front. They came from every walk of life. They were not divided by questions of race or creed or politics; they were united by a common impulse to serve the Empire. Some of them made the last great sacrifice that their country might live. They did so ungrudgingly, ungrumblingly, nobly, as became Canadians, and their parents sent them forth in the same spirit, rejoicing in the grandeur of their action, and believing, as the old Romans did: Pulchrissima pro patria mori. Some of them sleep beneath the hills of France—but they are not really dead. Their souls, like John Brown's, go marching on through Canadian towns and hamlets, through country fields and country lanes, through the thronged streets of great cities, inspiring Canadian men and women to renewed and redoubled effort in the great crusade which they have begun. Their final acts of devotion were not confined to any one part of this country; they were widespread throughout the whole Dominion. The lesson they contain for us cannot be better expressed than in the language of that greatest of Presidents of the United States at a time when his

countrymen had made similar sacrifices in order that that nation, conceived in liberty and based on the principle that all men are by birth free, should live and perpetuate those principles. At the dedication of the cemetery at Gettysburg to the memory of the brave men who had fought and died for their country, Lincoln used these words:

> It is for us the living rather to be dedicated here to the unfinished work which they who fought have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us, that from these honoured dead we take increased devotion to that cause for which they gave the last full measure of devotion. That we here highly resolve that these dead shall not have died in vain, that this Empire under God shall have a new birth of freedom, and that government of the people, by the people and for the people shall not perish from the earth.

I have inserted the word Empire instead of the word Nation. That is the lesson I take from the grand men of my county and the grand men of Canada who have gone to fight the battle of the Empire. Who were these noble men? I have in my mind Captain Fritz Robertson, a son of the rectory, who had two brothers in the service. The rector and his noble wife gave these three sons for this great cause. One of them was a distinguished student at Oxford university, preparing himself for the Church. Captain Fritz gave his life for his country, facing and fighting the enemy. Lieut. Lindsay also made the great sacrifice. His mother, a noble woman, also gave three sons for the good cause, one of whom died in defence of those principles which we all cherish. I am proud to say that one other son gained distinction on the field of battle, Col. W. B. Lindsay. Another widow in my county, Mrs. McColl, gave two noble, stalwart sons, who themselves gave their lives for Canada in that great battle which the hon. member for North Simcoe (Mr. Currie) so feelingly described to-day. And these are only a few of those who have brought honour to my county and honour to Canada. It is only fair that I should mention some of their names. Col. Lindsay, I have spoken of. Major Chesham, Chapman, of Ailsa Craig, Bolton, Degroat, and Pedden were all seriously wounded in the defence of liberty, but their courage was such that they returned again to close with the enemy. In passing, may I mention to the House a little remark that was made to me which showed the contempt of the Canadian Tommy for the German. This man of whom I speak had been wounded. I met him on the street and asked him about his wound, and he said: "Yes, I was wounded, but these Germans are no good." I asked him: "What were you doing when you were wounded?" He said: "Carrying His Majesty's mails from place to place, and they were throwing up flares and I was forty-five minutes in making my round. Every time they threw up a flare I threw myself on the road, as it was too muddy to use a motorcycle. They were shooting at me with machine guns for forty-five minutes, and they only struck me four times!" I would have thought that was quite often enough to be struck, but the pluck of that man was so great that he has gone back to the firing line. Major General Currie came from my county; he has been honoured by the King and by the President of France. We have others, such as Major Leonard, Officers Weir, McGugan (the son of a former member of this House), Scandrell—these all received recognition for distinguished services. Others have received mention in despatches, such as Malcolm Cuddy. Altogether I think I have a right to be proud of the showing of the good county of Middlesex, because I believe it typifies the showing of every other county in Canada.

In addition to the taxes that this Government are placing on the people of Canada, our people are voluntarily giving of their blood and of their treasure; and just here I want to mention my county again. Only a short time ago the county council of the county of Middlesex gave to the patriotic fund a monthly grant of $6,000 for the next year, in other words $72,000. Then every township, town, hamlet and village in Middlesex has in that way, by money grants as well as by giving its sons, shown its generosity and its willingness to give of their means to protect this country. The people of Canada to-day are not afraid of any just burden; the great danger is not that we shall not be able to bear the burden, but that wastefulness and extravagance shall so sap our strength that we shall fail in our effort to do so. That is the great fear in the hearts of the Canadian people to-day.

I charge the Government that, in the first place, they have shown lack of initiative. They have shown lack of initiative in regard to rural credits and in regard to the manufacture of munitions. It is my contention that the munitions factories of this country should have been taken over

or established by the Government long ago, as has been done in England; that these big shops should have been placed at the disposal of the Government so that munitions could have been made there, thus securing a lower price. The Government have shown a lack of initiative also in regard to protecting the great agricultural industry of which we hear so much from gentlemen on the other side of the House. They have shown great lack of initiative in dealing with the horse trade of this country. The Finance Minister expressed great solicitude for the agricultural interests of this country; but in all the Government have done since the war broke out there has been nothing to help the agricultural interests. Take the great horse industry of Canada,—and we all acknowledge that there are not better horses produced in any country in the world than in this land—what was done? The Government were very solicitous about the munitions manufacturers. They could not do too much for them. The Premier guaranteed that they would be protected from loss. They were given immense profits and helped in every way. Ships were commandeered to take their products across the sea. But what happened to the horse producers? First, an embargo was placed on the export of horses so that no horses suitable for artillery or cavalry purposes could be sent across the line. In the second place, an arrangement was made whereby the Allies should not buy horses in Canada but should confine their operations to other countries. In the next place, horses were bought in Canada in such small numbers that no advantage accrued to the farmers. What happened? Since the war broke out, if the evidence before the Davidson Commission is true, the farmers of Canada have sold for purposes of war about 27,000 horses. For these they have received about $4,000,000 or $5,000,000. On the other hand, the farmers of the great republic to the south have sold to Great Britain horses to the value of $60,000,000, and to the other Allies horses to the value of $140,000,000. In that way, whilst this country has derived an advantage from the sale of horses to the extent of about $4,000,000 or $5,000,000, the republic to the south has been advantaged to the extent of $200,000,000. What happens? In my part of the country, in the county of Middlesex, the farmers are grumbling, and rightfully. They are helping in every way to carry on the war, but they cannot get rid of their product. Their industry is not encouraged or developed. On every farm of 100 acres in Middlesex, for the past year, I think I am safe in saying, there have been from one to three horses fit for military purposes eating their heads off. In this matter the Government have shown lack of initiative. In fact, I do not know in what respect the Government has shown any initiative except in creating civil servants—and knightly personages. In those two things they have shown great initiative, but in no other. Extravagance is the great sin of this Government. In the first place, in munitions they have squandered thousands and millions of money. In the second place, they have in the post office a deficit of nearly three millions, whereas under the Liberal regime that department had an average surplus of $700,000. They have appointed civil servants in great numbers, and so have depleted the funds of the treasury of this country. To-day we find in the Estimates brought down by the Prime Minister items amounting to millions, which the Prime Minister himself says he does not intend to spend. I cannot speak in too strong terms of reprobation of the conduct of the Government in this respect. I say that if the Government does not intend to spend these moneys they should be wiped out of the Estimates. We are supposed not to be playing politics in this Parliament at this time, but to be acting patriotism; and these amounts put in the Estimates are only put there, it appears to me, for the purposes of dangling wholesale bribes, if the word is not too strong, before the constituencies, in which these buildings are intended to be built. The Public Works Department has gone beyond all bounds. In 1910-11, the last year of the Liberal regimé, we spent $11,000,000, if I remember correctly, in connection with the whole Department of Public Works. In 1914, the Minister of Public Works spent $11,000,000 in public buildings alone, as much as the Government of my hon. leader spent in the last year of his Administration in the whole Department of Public Works, and in 1914-15 there were eight months of war, during which many public works were not being carried on.

I have tried to avoid dealing with any subject in a partisan way. I may have failed, but I have tried to avoid criticism that might not look like honest, earnest criticism, or such as would tend to party advantage. Personally, I agree with that sturdy old Scottish iron founder, who

described the man who tried to make money out of his country's agony as a traitor, and any man, or body of men who indulge in unfair or partisan criticism and try to make party advantage, either for the Government or against it, are equally guilty of treason to the State. But that does not mean that a Government, no matter what its record may be, shall be subject to no criticism with regard to administrative or military affairs. No criticism might be more treacherous and dangerous to the State than party criticism.

Mr. MEIGHEN: Would the hon. gentleman permit an interruption with regard to something which he has just said? He stated that this Government had made an arrangement with the Allied Governments not to buy horses in Canada. That is distinctly not the fact. I would like the hon. gentleman to give his authority for that statement.

Mr. ROSS: At any rate, the results have been the same. They have not bought horses in Canada, and if the good offices of this Government had been exerted as industriously in the interests of the agricultural population and of the horse breeders of this country as they were on behalf of other interests, the Allies might have been induced to buy horses in this country. Maybe I am wrong, and maybe I am right.

Mr. MEIGHEN: The correspondence will show that the hon. member is wrong, if he will ask for it.

Mr. ROSS: I would like to see it brought down. Mr. Elihu Root made a speech the other day which I commend to every member of this House, and in which he used these words:

> There comes a time in the lives of men, as of nations, when to treat wrong as if it were right is treason to the right.

To deprive any one in this House of his right to honest criticism would be to deprive this House of the very purpose for which it was constituted, and to make it a burden, not a benefit, to the people. When we meet here it is not our duty to sit silent and close our eyes to matters of grave import, especially if those matters are inimical to the State and may lead to its disgrace or its destruction. In such a case he who would withhold just, fearless, and honest criticism would be a traitor to his country. In times of peace, Sir, when the State is prospering and flourishing, and is under no pressure, we may at times—though we should not even then—overlook little sores and ulcers in the body politic; but when the life of the State is at stake, when its very existence is being tried by the fearful arbitrament of war, we should not tolerate these things for a moment lest they fester and spread, and leave the State so weakened that she cannot defend and preserve herself.

David Lloyd George has said that this world war will be won by the nation having the most silver bullets, and making the best use of them. No man is in a better position than he to know what is the vital factor for victory. The Government of Great Britain evidently think the same, for they are advising their people to make every possible economy, to forego all luxuries, to use only those things in the nature of food and clothing which are produced within the Isles themselves. Such being the case, the matter of economy in public and private expenditure is one of the most vital questions for this House to consider, and members of this House, on whatever side they may be, who do not criticise this Government for any departure from the most rigid economy are not doing their duty to those they represent. It is as much the duty of an honourable member to your right, Mr. Speaker, particularly at this time, to condemn wrong-doing, or wastefulness, or extravagance, as it is for a member to your left to do so, and to find a remedy for the same if they exist. By not doing so he may be true to his party, but he is false to himself and to his country. So far, I have not seen an hon. member opposite, except, perhaps, the hon. Minister of Trade and Commerce (Sir George Foster), who spoke of the dangers of party shibboleths and party patronage, rise in his place to criticise this Government. Whenever hon. members opposite do rise, it is always to commend it. Are we therefore to presume, Sir, that this Government is considered perfect and infallible, or are we to draw the other deduction, that even when our life as a nation, and our liberty as a people, are at stake, there is no man among the members of the great Conservative party fearless enough, or thoughtful enough, to disenthrall himself from his party fetters, and say boldly: I stand for my country, not for the selfish interest of any party.

Mr. Speaker, no one can conscientiously deny that, even had the times been times of peace, the Government has been grossly extravagant, and it is alleged by many

thoughtful and patriotic Canadians, not all Liberals, that there is too light a characterization of its conduct. After listening to the masterly non-partisan and fair arraignment of its administration by the junior member for Halifax, this conclusion must have been borne in upon the mind of every hon. gentleman who heard him. From that arraignment, and from events which have transpired, another conclusion must also have been arrived at, and that is, that whatever extravagance and wastefulness and wrong doing there may have been, however dangerous they were to the State, they were the result of our party slavery and patronage system. If we do not destroy this monster, it will eventually destroy this country, or at best, it will ruin its progress and development and make the name of Canada a by-word in the Empire and throughout the world.

In this respect I think it is right for me to refer to what the Minister of Trade and Commerce said the other night, and I wish to say that I agree with every word of it. He said:

> Now, as to patronage, I have been thirty-four years in public life; I have been a pretty close student of political parties and political history in this country, and I have simply this to say—I give it as my individual opinion—I have long felt it and I feel it now that in the whole course of my political life I cannot point to a single instance where political patronage ever helped the status of the bench, ever helped the status of the Civil Service, ever helped economy in administration or enhanced the status of public administrators, no matter what functions they performed, ever helped a member of Parliament in reality, ever helped a Government in reality; it almost always causes the dry rot and disintegration that break up government after government and party after party, and I wish now, in the white heat and light of this great contest and struggle and the self-sacrifice that we are called upon to make, that we might speak from the heart out, and make an agreement in this country between both parties, that hereafter patronage shall not be applied by political parties in the construction of our public works. Now, that is a frank admission. Some may say to me that I have no right to make it. I presume upon my grey beard and thirty-four years in public life, and I make that statement for what it is worth, I will just append to that one single sentence, and it is this: that if there is any laxity in the public virtue of this country to-day, if there is any canker of public corruption, in ninety-nine cases out of a hundred you can trace it to the baneful effect of political party patronage.

To-day, party patronage and slavery to party are decreasing our power and efficiency in the great war of liberation. It is a curse in times of peace and a curse and a crime in times of war. It saps our life-blood, it destroys our unity as a nation outside this House and in it, and there is no good in it as a compensation. There never was a better time to destroy it; the people are united as they never were for one purpose and one purpose alone, and every other object interfering with that one purpose fades into insignificance. They are ripe for any change that will put the state before the party, and, if the leaders will only point the way and give the guidance, they will follow.

Mr. Speaker, the Prime Minister at this time is the chosen leader of the people. They look to him for guidance and real leadership in this matter, and they look to his opponents to support him in any efforts he may make with an eye to rid us of this monster and win this war, and in their expectation, Sir, I feel that the Opposition and its leaders will not disappoint them.

It may be presumption on my part as one of the younger members of this House, but I say this to the premier, as one who has followed his public career with great interest, while not approving, but himself disapproving, of many things he has done since he attained office, that, as the premier of the Canadian nation, he is no longer playing a minor part in some comedy or melodrama on some provincial or colonial stage. Events have carried him, and all of us, far beyond that. Thanks to the genius, statesmanship and foresight of my beloved leader, we have felt for some time, and we feel to-day the throb of nationhood. Are we, as members of this House, and is the premier as its leader, marching with events?

To-day, all the world's his stage, his audience humanity. He is no longer playing a minor part, but has one of the leading roles in the greatest tragedy ever staged for the world. Each of us has his lesser part to play. Will the Prime Minister rise to the height of the great argument? Will he act the part Canada has entrusted to him in a manner worthy of her and of the Empire? Will we each do our lesser part? Will he, at this crisis in our history, rid his councils of any man, if such exist, who has not an eye single for the service of the state, and call to his councils those alone seeking to serve the nation and the great cause of humanity, and not themselves or their party or their friends? Will he guard the public treasury as a most sacred trust, upon which the very life of the nation may depend?

Destiny has been kind to the Prime Minister even if she has burdened him with responsibilities such as none of his

predecessors were called upon to bear. But responsibilities such as his, efficiently and honourably borne, insures not only the satisfaction of looking upon duties well done, but honour and fame and a lasting place in the memory of the Canadian people and of the whole Empire. No statesman in this land has ever been given such an opportunity to make his name forever as sweet to his people as that of Lincoln to his countrymen. If he will seize the passing opportunity he may, in the Empire's progress, as Tennyson beautifully puts it,

> Live to clutch the golden keys,
> To mould a mighty state's decrees
> And shape the whisper of the throne;
> And, mounting up from high to higher,
> Become, on fortune's crowning slope,
> The pillar of a people's hope,
> The centre of the world's desire.

No one on this side of the House will envy him his glory so attained, but rather is it my belief that if he will just lend himself to the task, every member of this House, irrespective of the past, and the whole Canadian people, will support him with all their heart and soul.

Why, Mr. Speaker, can these things not be so in Canada? Are we never to arise above the muck and mire and mud of politics? Are we always going to be all for the party and none for the state? Are we going to allow the little things of self and party to eclipse the immense things of the nation and the Empire? In this House to-day we are under the surveillance not only of the Canadian people but of the Empire and the world as we have never been before. It is expected of us as men and as parties that we will measure up to the greatness of the occasion and not down to the smallness of party strife, or manipulation, or administration, for party advantage. If we fail I believe the temper of the Canadian people is such, and rightly so, that they will choose new men and new parties to guide their destinies and that a great, radical reform party will arise in this land to give the people what they desire and what they deserve.

In this House we are not lesser than the breeds from which we sprang. We enjoy the same free institutions, we possess the same ideals, we are inspired by the same determination to preserve the freedom and civilization of the world, and to-day our unity is accentuated by having everything that we prize threatened by a common danger. In Canada we are two races united for the present and for the future, I believe, as never before. We have two motherlands. As the hon. member for Rouville (Mr. Lemieux) so truly said in a speech in Toronto, we have the motherland of France and the motherland of Britain; France gave us life, Britain gave us liberty. To-day, with us, they are struggling to preserve that life and liberty and they are teaching us how best to do it. Britain is still the mother of freedom. In Britain, party strife, although never so bitter as immediately before the war, is hushed in the land. The leaders of opposing factions united by common ideals and purposes and threatened by a common danger, have clasped hands and, as Abraham said to Lot, in olden times, Mr. Asquith has said to Mr. Balfour: "Let there be no strife, I pray thee, between me and thee, and between my herdsmen and thy herdsmen; for we be brethren." This action has inspired the people with the same sentiment and Britain is united as never before. Faction has been unable to gather strength in that land. Her sons, gentle and simple, rich and poor, prince and peasant, inspired by her statesmen, are coming forward in millions to fight for liberty, and her daughters are making heroic sacrifices beyond any precedent. Her sailors are taking care that she is still encompassed by the inviolate sea.

11 p.m.

As for France, she is the wonder, the marvel, and the admiration of the world. Her statesmen are united, her people have but one thought, the sacrifice of everything they possess, if necessary, for the preservation of her liberty and integrity. She is no longer the gay, frivolous pleasure-loving France of our imagination. She has found her true soul, a new soul, a soul greater than she ever had. She has become inspired, glorified, transfigured. The whole world salutes her with reverence. As the editor of the Providence Journal said, she is fighting with the sword of freedom in her hand and the light of God in her face. Every daughter has become a Joan of Arc and every son a Roland, sans peur, sans reproche. She is the first republic of the world and from the ashes of Louvain and Rheims and the peasant homes of France like the fabled bird, there will arise a new France, a greater France, a better France to enrich the ages.

With Britain and the Allies she is fighting for her life, but also for the world's freedom. Over a hundred years ago her peasants fought to wrest for the individual from a kingly and autocratic despotism within her own borders, the blessings of equality, liberty and fraternity, and to-day

they are fighting a nobler fight to wrest from a foreign despot, for nations great and small, the blessing of equality, liberty and fraternity. France made possible the life of other republics who forget her when her life is endangered because they are too mercenary, or too selfish, or too proud, to fight for liberty. France will be remembered for her chivalry and nobility when their wealth cannot save them from scorn.

Mr. Speaker, these are our motherlands —France and Britain. We of British extraction, you of French, all Canadians, can proudly say with the Scottish singer: A dear old land is the Motherland. They are giving us grand examples of unity, of harmony, of self-sacrifice, of patriotism. They are worthy of emulation. They are worth fighting for, worth dying for. Let us measure up to these standards in this House and out of it and make the name "Canadian" one that will live forever.

Mr. A. BELLEMARE (Maskinongé): (Translation.) Mr. Speaker, every hour, events, both in Canada and Europe, take on a more serious turn. More than ever since the beginning of the crisis in which the Empire is struggling, the increasing hugeness of the conflict obtrudes itself on our minds.

The situation, even as regards our country, is becoming more tense.

In August, 1914, at the time of the declaration of war, all of us, in a common accord and led on by a like enthusiasm, have realized, without any other incentive but our loyalty to the Empire, that Canada was in honour bound to participate, to the extent of its resources, in the great struggle into which the Empire had just been drawn for the sake of its own preservation and the defence of civilization, threatened by a nation scorning its solemn engagements.

At that time, the world did not dream that in a few months the portentous struggle would reach such stupendous proportions. The worst pessimists could not but predict that the conflict would be of short duration; unhappily, those predictions turned out too sanguine and notwithstanding the successes of the Allies, interspersed, it must be admitted, with a few reverses, and notwithstanding that the final victory is certain, a guess as to the probable termination of hostilities, becomes increasingly hazardous.

Until now, the Allies, although labouring sometimes under a considerable disadvantage, sometimes have had the best of the struggle, but after long months of unrelenting endeavours, we are now more convinced than at any time since the opening of hostilities, that the triumph of the cause to which the Empire is giving the best of its resources in men and money, depends solely on the perseverance of all citizens in their devotion and sacrifices. Canada, I must say, has nobly and unsparingly answered the call. Our contribution to the defence of the Empire has been more than generous. The Government, anxious to meet its obligations to Great Britain, without nevertheless derogating from the traditions of the past, has opened its coffers to help the cause of civilization. That those sacrifices have not been in vain, the proof is wafted over to us from the battlefields of France where our valiant soldiers have won distinction, and the proof will again come out evident and eloquent later, on the day of victory, when we shall be proud of having helped in the final triumph, and take glory in the share we are now bearing of the present exceptional burden.

I say exceptional advisedly, because, so long as Canada was not threatened in its existence, there was room for difference of opinion regarding its obligations towards Great Britain. But in this war, as a matter of fact, there is no question of a crisis concerning one part only of the Empire, and, it cannot be denied, the cause of the Allies is not only the cause of the European powers directly at war, but Canada itself, notwithstanding its apparent safety, is nevertheless in danger. Like Belgium, whose automony seemed at first absolutely guaranteed by solemn treaties, we are not allowed to think of the future without some apprehension, especially with enemies such as we are contending with. We may from them expect anything, and the events of the last two years and the happenings of recent date amongst us give us cause to dread.

The present war is not, as would be thought by some, a European war, it is a universal struggle, in which all nations, including Canada are interested.

The events of the last year in Europe have developed into a situation of such gravity that those of us, who had been opposed to Canada's participation in Imperial wars, although at the time absolutely sincere in their opinion, are driven by the present turn of events, to acknowledge the changed conditions and alter their views on the subject.

Many MEMBERS: On the subject, hear, hear.

Mr. BELLEMARE: I take the greater credit for it, because in 1896, the Liberals who attacked the purchase of rifles by the

Government of Sir Charles Tupper, have changed their minds, and if we, independent politicians, follow their example, how can we be blamed? I still uphold the fundamental principle of national autonomy, but I cannot but tolerate in the circumstances the policy the present Government has hereto followed. Yet, Mr. Speaker, I would make a reserve. As I was saying a moment ago, Canada, as other countries, must look forward to the future, and if there is found to be danger, as seems to be the fact, is not now the time, before it may be too late, to think of our own security? Should Canada be attacked it is hard to state the precise developments that would bring about such an occurrence, but as it is among possible events are we, after the enormous sacrifices in men and money we have been making to this day, in a position to successfully defend our territory?

I do not thereby mean that we should completely stay those measures now being taken, but I particularly commend to the attention of the Government that in our decisions there be kept in view the safety of our own immediate interests. To this date, millions have been spent to come to the help of the Mother Country and the Allies, but led on by the burst of enthusiasm and generosity which in this war animates its citizens, Canada must not forget its own national security.

Mr. ROCH LANCTOT (Laprairie-Napierville): (Translation.) Mr. Speaker, I was much interested in the addresses delivered in this House following the Budget Speech of the hon. the Minister of Finance. Before adding my own remarks on the subject, I must first tell you, Mr. Speaker, what I think of the war expenditure.

I am of the same mind as last year, and I am at a loss to know where the Government is leading this country with the present expenditure, which has overstepped all bounds and control.

So as to ward off all misunderstanding, I shall quote what I stated in this House on the 9th of March, 1915, as reported, page 804 of Hansard:—

> It was with satisfaction that personally I voted the $50,000,000 required to defray the contribution which we deemed it proper that a country such as ours ought to vote.
>
> But, Mr. Speaker, I believe that such help ought to be proportionate to our resources and that we have no right to indulge in inconsiderate and uncontrolled expenditure. The help which a son is bound to give his father should be proportionate to his own resources and to the needs of his parent, and if we must accept that proposition as being absolutely logical and reasonable, we must also infer that we have now greatly exceeded the limit of our obligations.
>
> Let us calmly look into the situation, keeping in view solely the performance of our duty as representatives of the people.
>
> It is universally conceded that England has all the money she wants. We know through the Minister of Finance himself that we go to England to obtain the very moneys that have been appropriated for our war expenses. Is not that sufficient evidence that, instead of fulfilling an obligation, we have on the contrary imposed upon ourselves an immense sacrifice.
>
> In view of the present financial situation in England and in our own country, is it not evident that our sentiments of loyalty and the deep indignation felt at the atrocities committed by those blood-thirsty Germans, have been the sole motives of our spontaneous participation?
>
> But, Mr. Speaker, I ask this House, are we then justified in driving the country into bankruptcy? Not so, unless it may be shown that our participation to the full is the only guarantee of the certain success of the Allies. And as a member of this House is expected fully to speak his mind, let me say right here that the interest we have in this war, however great it may be, is far from being equal to the interest of England or the other independent nations engaged. We are only a self-governing colony, and we have no war to wage here for the conservation of our sovereignty, as have other nations; and that makes an enormous difference. If we were to follow the dictates of certain visionaries, we should exhaust, nay, we should already have exhausted at this moment our resources in men and money, and, say I, under what circumstances?

Since the last session, things have gone much worse. During recess, the Government has decided to increase our forces to 150,000 men, then to 250,000 and on the 2nd of January last, the Prime Minister, confined in his room by sickness, threw out that stunning news of an army of 500,000 men.

Why not have waited to the 12th of January, on the opening of Parliament, to lay before the House that ridiculous project?

In bringing the Canadian effective to 500,000 men, the Government puts us on an equal footing with European nations, leaving out of count the foreign nationalities among our population.

The Prime Minister, in his address on the Speech from the Throne, has declared to the House that the Canadians had saved the Empire at the battle of Langemarck.

So, it is, Mr. Speaker. Our soldiers have been mowed down as by a scythe, on account of our inferior arms and supplies and the large number of German guns and munitions of all kinds.

I maintain therefore that it was nothing less than a crime to thrust our soldiers into battle without weapons and supplies.

Mr. Speaker, I denounce with all the energy I can command, all that waste of men and money.

First of all, the request has never been made by England for sacrifices of that magnitude; she knew that it was beyond our power.

Will you not acknowledge, Mr. Speaker, that we could have rendered more yeoman service, a hundred-fold more so, to the Allies, by commandeering all our workshops to the making of munitions, and by getting the Government shops to manufacture shells at cost price? Valuable help would thereby have been given the cause.

The Westminster Gazette, during the month of January, 1915, had the following:—

> We are told that Canada desires to carry its contribution in men to 150,000 before next fall, should that number be required. It is needless to say that we do not believe such a sacrifice will ever be required from the Dominion. We fully acknowledge that Canada will be with us in the present war to the extreme limit of its resources. But we hope that the recruiting now going on in England will suffice and that we shall never be obliged to make such a call on Canada. We must not forget that what is required from Canada during the present conflict is two-fold service. That country must remain the granary of the Empire and if we are to achieve success in this war, the men working in the Canadian fields will help us to that victory just as effectively as those who expose themselves to the fire of the enemy.

Mr. Speaker, I am perfectly aware that the newspapers of the country, Grit and Tory, will denounce me to-morrow for the stand I now take on the question of our participation in the war, I realize that the yellow papers of Ontario will report my words. I am quite willing they should do so, what I say expresses my own personal opinion.

If my party was in power, and my party was guilty of such absurdities, I should attack my party with all the strenuousness I could muster.

The Ontario papers have spread the report that the French-Canadians were not performing their duty, that they did not enlist in sufficient numbers. I am of a contrary opinion. To my mind, their enlistment is too great for the treatment they receive at the hands of the majority.

In Ontario, the French-speaking element are deprived of the rights which were granted them by the Fathers of Confederation in 1867 in an agreement acquiesced in by the different groups which then inhabited the country. The clear intention was that the French language was to be on an equal footing with the English language, and yet what sight are we given to witness around our French schools in this very capital city of Canada. Are we not refused the liberty of teaching our children the language they learned on their mother's knee, a right guaranteed to French-Canadians by the Fathers of Confederation.

I take pleasure in congratulating the hon. member for North Simcoe (Mr. Currie) on the address he delivered this afternoon. I see that during his sojourn in France he has learned to appreciate the French race and the French-Canadians. Should he return, I should suggest that he bring along with him the Prime Minister of Ontario, Mr. Hearst, his colleagues, and many of the members of this House, in order that they may get an opportunity of finding out the real worth of Frenchmen. When they return, it is safe to say that they will no more insist on the children of such a glorious race being forbidden to learn their mother tongue in French-Canadian schools.

The war unfortunately is being waged in Europe since the third of August, 1914. Let us examine rapidly the relative position of both sides, both in men and resources. The Allies, I find, have an aggregate population of over 300,000,000, and greater resources than the enemy. Such being the case, why should the Canadian people be driven to the verge of bankruptcy by its Government in order that soldiers be sent to fight for the Allies, when it has been proved that what was wanting was not men but war supplies.

Let us compare our situation with Great Britain's. The latter, according to the statements made by Lloyd George in the British House of Commons, has enough funds invested in foreign lands to enable it to continue the war during the next four years.

We, on the other hand, are yearly paying as interesting to England $150,000,000, and $50,000,000 to the United States, and we still must go on borrowing hundreds of millions more if the war last another year or more. If after the war, this country should be called upon to pay the expenditure, three-quarters of our people will be bankrupt.

I read the other day the interview given certain New York newspapermen by the hon. member for Centre Toronto (Mr. Bristol). He claims there are now 150,000 Canadians in the trenches at the front and 1,350,000 British. There are in these figures a great discrepancy with the declarations made by the right hon. the Prime Minister and the hon. the Minister of Militia, in the course of their discussion on the address in reply. These gentlemen stated that we had at the front 50,000 men only. That leads me to conclude that if Mr.

Bristol has made a mistake of two-thirds regarding the number of the Canadian soldiers, he must have made a proportionate error in his estimate of the British forces.

Let us now examine what obligations we have incurred since the beginning of the war. Those obligations, I fear, will exceed our resources should the war last much longer, as seems to be pointed out unfortunately by present indications.

As a matter of fact, our soldiers are paid $1.10 per day while England only pays them a shilling, and the French soldier receives only five cents a day. We moreover pay twenty dollars a month to the soldier's family, which means that 500,000 men cost more to Canada than 2,000,000 to England. Again I say, it is an insensate policy to which the people of this country are absolutely opposed.

Our newspapers almost unanimously advocate recruiting. Have those Empire-saviours set an example by enlisting first? No, Mr. Speaker, they take good care not to display their patriotism in that manner. But we understand from what source springs all this devotion, paid by the Government at so much a line. Newspapers will publish any story for money—and you know the saying, Mr. Speaker: Lie, lie anyway; some of it is bound to stick. But, Mr. Speaker, the people of this country are wise to the patriotism of the great dailies; and sooner or later, a day of retribution will dawn, and the people who are good judges, will punish as they deserve all those who would save the Empire—for money.

I now should make a few remarks on the speech of my friend, the hon. the Minister of Inland Revenue (Mr. Patenaude), delivered in this House on the 2nd of February.

The hon. minister alluded to addresses which, he states, were delivered by the hon. member for Temiscouata (Mr. Gauvreau) and Kamouraska (Mr. Lapointe) in their respective counties some time last year. He likewise quoted from Le Soir a newspaper published at Montreal at the time of the general elections in 1896, and from the Electeur, the official organ of the liberal party in the province of Quebec, where the main question discussed was Desjardins rifles, Desjardins then being Minister of Militia in the Cabinet of Sir Charles Tupper. Among other things, Le Soir stated:—

> Why fight for England?
> The electors will have to keep in mind that those big and great leaders who are always so anxious to appear greater patriots than the rest of us, more loyal and eager to send us to war for another country's benefit, are not those who will be called upon to bear the burden.
>
> Those rifles, those guns, it will be the electors who will handle them. They see in you good gun targets. The Tupers, Angers, Taillons will sit quietly in their office at the department, whence they will despatch you to your doom.

Lower down:—

> Your sons will be sent to Africa or Asia, never to return.

That quotation is found at page 542 of the 1896 unrevised edition of Hansard. Twenty years have since elapsed, and the hon. minister could have, meseems, spoken of the happenings of 1910 and 1911. He dared not. Well, I shall supply the omission, which I suppose, he has made unintentionally. In the month of September 1910, addressing a large meeting at St. Rémi, the hon. the minister was then neither honourable nor minister. Mr. Patenaude declared among other things that Laurier had sacrificed Canada to secure titles and honours, and added that Borden was following in the same path. Needless to add that he has denied his leader many times during 1910 and 1911.

The elections of the 21st of September came about. Everything was peaceful. The minister's soul was peaceful. But, a few months later, the cock crowded again beside the Minister of Inland Revenue. On that day he was called on to deny not his leader but the master of his leader, that is the people. He lost no time, and the diminutive St. Peter was consecrated party organizer for the district of Montreal.

No more have you heard the voice of the hon. the minister throughout our counties clamouring that the proposed navy or the intended contribution to the Imperial navy ought to be laid before the people. The offer of three dreadnoughts was before the House in 1913. The hon. the minister did not say that they amounted to more than the real estate assessment of the counties of Laprairie, Napierville. Not so, Mr. Speaker; during the election of 1911, the hon. the minister warned the people of Laprairie-Napierville that the navy would be Canadian in times of peace but Imperial in times of war, and he quoted the Hon. W. S. Fielding, who had stated in this House that our navy could be put at the disposal of the Admiralty in case of need. You must learn, that the minister was very shy of cannon shots at the time. His nerves have improved. It was then a terrible sight, that of our sons being put aboard vessels to be sent to China or Japan to fight for England's sake.

I never could understand why a difference was made between the net and the gross

debt. It is well known that in the amount deducted from the gross debt, there are certain sums which have been loaned to railway companies, and which those companies have never paid back and never intend to make good.

However, another year of this war, and the gross debt will be $1,200,000,000 and the net debt $850,000,000. We will besides have to settle with England for our share of the expenditure for guns, munitions, etc. The figure will be a good round one, because shells have been expensive in this country. What the amount will be, I cannot forecast, but at its lowest figure it must be estimated at $100,000,000.

Since the August session of 1914, the Minister of Finance has, on three occasions, imposed on the country taxes aggregating at the least to $75,000,000, over and above the taxes with which the people were burdened in 1911.

This year, the revenue is considerable, on account of those new taxes. There must be taken into account that the soldiers' pay, their pensions, the monthly allowances to their families, increase the buying power of the population. A large number of workmen, moreover, get employment in the manufacture of all kinds of war supplies.

But once the war over, our high-paid workmen will be without salary; the soldiers now in training in various parts of the country will be sent back home. I do not think that I am imposing on this House in stating that the closing up of those two sources alone will result in a decrease in the actual purchasing power by over $1,000,000 a day. We shall have to pay pensions to our invalids, our widows and our orphans. What will this item aggregate? I cannot say, but if the war endures for a year or more the amount will be considerable. The hon. member for Carleton (Mr. Carvell) placed the figure at about $30,000,000. The interest on the debt will add at least another $50,000,000; to which if you add a sinking fund to cover those three items, the amount will not be far from $100,000,000. Then, the Civil Service expenditure will have to go on, so that, during the years following on the war, we will not be able to put both ends together for those purposes alone.

Since the month of August, 1914, the hon. the Minister of Finance has imposed additional taxes amounting to at least $75,000,000 over and above what the people had to pay in 1911. Those taxes always fall on the shoulders of the common people, whatever may state the Government organs. The last articles to be taxed are apples, petroleum, and the profits of manufacturers. Let us examine that taxation. The tax on the profits of industry and trade is the introduction of a revenue tax. If the war keeps on longer and if the Government puts into effect its proposal to raise 500,000 troops, every shred of income will be taxed within the next two years.

We need not for a moment put any stock in the declaration of the minister to the effect that this tax will end in August, 1917. My opinion, on the contrary, is that it will be renewed after that date and even increased. The consumer it is who will have to pay the tax; the manufacturer will lower the salaries and increase the price of his merchandise to an equal extent, and the people will pay over one-quarter of what the manufacturer will turn over to the Government.

That tax seems to me unfair to a manufacturer who acts in good faith. Suppose a company that had a capital of $100,000 fully paid and doing a successful business. Will not that company, Mr. Speaker, have to pay more to the Government than another company commencing business with an equal capital, but who found the means of watering it up to $400,000? That last one declares a dividend of 5 per cent on all its paid-up capital and its water stock. The new law does not affect it. If the other company realizes similar profits, namely 20 per cent on $100,000 of paid-up capital, it will retain only 7 per cent free of tax and the other 13 per cent will have to pay a tax of one-quarter. The law as it is appears quite unfair for the manufacturer in good faith and gross injustices will result. I fail to grasp why the minister has made such a slight distinction between the tax on ordinary manufacturers and that on shell producers, 7 per cent on the first and 10 per cent on the mushroom variety.

What strikes me most in all this is the discontent which that tax is raising among the manufacturers. Yet those very gentlemen mostly all favoured sending the first man and the last dollar to save the Empire.

The famous Ballantyne incident at Montreal is well-known. That gentleman, in the course of a speech at a recruiting meeting, held that all manufacturers ought to discharge their unmarried men who did not enlist voluntarily. Many have discharged their unmarried employees to force them to enlist. I have yet to hear that those big heads, those Empire-saviours, have pointed

the way by themselves enlisting; yet now that the Minister of Finance asks them to contribute twenty-five per cent over a reasonable profit of 7 per cent and 10 per cent, they are dumb as to the needs of the Empire; their chief care is to make money like other mortals, maintain the war to sell off their supplies, and begin again after the war, like the celebrated Krupp Company, in Germany.

As for me, Mr. Speaker, I am opposed to those excessive taxes. I say that we had no right to saddle the country with a war expenditure above its capacity. Future generations, who will administer the public weal, will say, and truly so, that the politicians of 1914, 1915, 1916 and 1917 have driven the country to bankruptcy; that their pretense at saving the Empire was but a bluff; that their real ambition was to enrich a large number of their friends and swell the electoral funds of the Tory party.

I like a game of bluff, on a green cloth, not in the House. Parliament is no place wherein to play political bluff.

I have but a few remarks to add with respect to hay. I have always found it strange that the Agricultural Department should have seen fit to place the hay-presses on the wharves in Montreal. I think, Mr. Speaker, there is no common sense in that. The hay should be pressed on the farm. As early as the month of September, 1914, the Government awarded James McDonald a contract to re-press that hay in small bales at $4.95 a ton. If I am rightly informed, the same James McDonald, of Montreal, had secured a contract for many thousands of tons of hay at $18 a ton for Nos. 2 and 3. What was the result, Mr. Speaker? In October, 1914, there were in the railway yards not less than 2,000 cars of hay. That is, there was enough for two months ahead, with the result that a large number of smaller dealers were ruined, hay was refused in large quantities, repurchased by associates of McDonald, put in shed No. 16 on the wharves, and, if I am rightly informed, paid $10 to $12 to those dealers. There was besides deducted from that price demurrage on each car, amounting in certain cases, to ten, fifteen, twenty and thirty dollars each car. That demurrage was charged to the dealers, so that they suffered to the extent of thirty, forty, and fifty dollars per car. Besides that, Mr. Speaker, many of those dealers found a shortage on some of their cars of twenty, thirty and forty bales, which meant a difference of, one, two or three tons per car. I am told further that a certain inspector used to send carloads of hay that had been rejected to a friend in his village, and I suppose that some time later, the same hay, loaded on another car, was sent again to the Department of Agriculture at Montreal.

I have a case of my own. During the month of October, I sold ten carloads of hay to a hay dealer, who had a contract with the department. That hay was shipped in the name of the dealer. It had been agreed between us that in the case of any hay being rejected by the inspectors of the department he was to have it carted by the J. B. Baillargeon Express, Limited. That was done. Out of the ten carloads about forty tons were rejected and carted by the Baillargeon Company. I gave instructions to the company to dispose of that hay and during the month of December, Baillargeon sold that hay to another dealer who was supplying the department. The hay was taken from Baillargeon's sheds, and passed the Government inspectors who accepted two-thirds of it. I am thus led to believe that the inspection was lax and must have been an incentive to many dealers to have an inferior quality of hay accepted by the inspectors. If, on the other hand, the department had awarded contracts of two, five and ten thousand tons to serious dealers, the latter, as was done at the time of the Transvaal war, would have installed their presses in the country, where they could have secured the hay from the farmers without the need of inspectors. Mr. Speaker, I have been in the hay trade for the last twenty-one years. Needless to say that I have sold large quantities of hay and my sales were always based on the quality of the merchandise, either No. 1, No. 2, No. 3, mixed clover, pure clover or cull, and be sure that when I had sold ten carloads of No. 1 hay, I had without fail to deliver the quality I had sold, otherwise, the hay would have been refused on its arrival where it had been bought. The same may be said of grain which, like hay, is sold according to its quality. In 1899 and 1900, I sold for the Transvaal 6,100 tons of No. 2 hay. There were no inspectors at the place of shipment. In summer, the hay was inspected on the wharves at Montreal by a Government inspector and in winter, the same thing was done by Government inspectors at St. John or Halifax. Out of those 6,100 tons only 1,232 bales of 100 pounds each, were rejected, and the rejected hay was stored in Halifax or St. John under my name. And I must add that I never had met, and what is more, was not acquainted with the inspectors. I am satisfied as to what they have done.

Last December, the Government prohibited the export of Canadian hay to the United States. It seems to me the Government should have followed New York's example. It often happens that an embargo is placed on New York, either for Thirty-third street, Brooklyn or Erie. Immediately all the railway companies of the United States and Canada are notified of the embargo and the very same day should we ask for cars for New York our station agents advise us that no cars are to be had on account of the embargo. I fail to see, Mr. Speaker, why the same was not done by the Government; much trouble would have been saved to the dealers. If I am rightly informed, about 300 cars loaded with hay were held at the port of entry on account of that embargo. I have myself two cars which were held at St. Alban from twelve to fifteen days, so that I may expect to have to pay from twelve to fifteen dollars a car. However, I shall know my fate when I shall receive my bills of sale of the two carloads. I am of the opinion that some compensation should be given by the Government to all those who have had to pay demurrage on cars on account of the embargo. As a result of the embargo we are deprived of our market for No. 1 hay and the hon. member for Chambly-Vercheres (Mr. Rainville) is as aware of that as I am. At the present time, there is no one to purchase that hay, and the farmers have to hold it until next harvest time, except what may be sold on the local market at Montreal.

Mr. RAINVILLE: (Translation.) The hon. member knows that last January there was in Eastern Canada, from Ontario to the Maritime Provinces, not more than 55,000 tons of hay to be had, and one hundred thousand tons were required for the War Office.

Mr. LANCTOT: (Translation.) I know what we have at home, and I know that we shall have some left over to next August, if we are afforded no other market but Montreal.

Mr. BOULAY: (Translation.) How much do you sell your hay for now?

Mr. LANCTOT: (Translation.) We pay $19 for No. 1 hay and sell it at $20. It must also be taken into account that the waste which is being sold is harmful to the trade; many large stables in Montreal, having little to do, buy that waste at a little over a dollar a ton. I am led to believe that at least one-quarter of all the horses in Montreal are fed that way. As we are prevented from selling our No. 1 hay in the United States, I should suggest that the Department of Agriculture buy our No. 1 hay at the price that it could be sold on the American market, namely $20 a ton, and I feel that this hay at $20 a ton would in the long run be much cheaper than No. 3 hay for which is being paid $18.50 a ton and which certainly is not worth any better than good straw to feed animals.

Mr. Speaker, as it is getting to a late hour, I will take my seat, and leave my remarks to the consideration of this House, believing that they are true and wise.

On motion of Mr. Boulay, the debate was adjourned.

On motion of Hon. R. Rogers, the House adjourned at 12 midnight.

Wednesday, February 23, 1916.

The House met at Two o'clock, the Speaker in the Chair.

REPORT.

Report of the Secretary of State for External Affairs for the year ended March 31, 1915.—Sir Robert Borden.

CRIMINAL CODE AMENDMENT.

Mr. PUGSLEY (for Mr. W. M. Martin) moved for leave to introduce Bill No. 38, to amend the Criminal Code.

Motion agreed to, and Bill read the first time.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

APPOINTMENTS.

Mr. MACDONALD:

1. How many men have been taken from other railways and placed in positions, with $900 a year and over, on the Intercolonial railway between April 1, 1913, and December 31, 1915?

2. What are the names of the men so employed?

Mr. REID:

1. There are eighteen such men now in the employ of the Intercolonial Railway.

2. Engineering department: C B. Brown, A. T. McDonald, F. S. Wilkins, G. C. Lightner, L. H. Robinson, A. D. W. Cuthbert, James Pullar, H. T. Rhul, L. Brousseau, T. L. Landers, G. C. Perkins, A. H. Jones, J. E. Long.

Operating department: J. K. McNeillie, A. C. Barker, William Charles Roberts.

Traffic department: C. A. Hayes.
Mechanical department: George E. Smart.

HORSES FOR FRENCH GOVERNMENT.

Mr. HUGHES:

1. Where is the French Government purchasing horses in Canada?
2. What are the names and addresses of the parties representing the French Government in the matter?

Sir ROBERT BORDEN:

1. The Government has no official information on the subject, but understands from advertisements appearing in the daily press that purchases are being made in various parts of Canada.

2. The Government has no official information on the subject, except that the Hudson's Bay Company is the official purchasing agent for the French Government in Canada. No information is available as to whether their duties comprise the purchase of horses. Information can doubtless be obtained from the French remount officers, who, according to advertisement, are to be in Ottawa during the whole of the present week.

102ND BATTALION.

Mr. CARVELL:

1. Why is the 102nd Battalion, the men for which are mostly being recruited in the upper county or the mainland of British Columbia, to be mobilized at Comox?
2. What is the additional cost to the country of transporting these men to Comox?
3. How long will they be trained there?
4. What is the total precipitation per annum at Comox, as given by the Meteorological Department?
5. How is it divided throughout the year?

Sir SAM HUGHES:

1. On the recommendation of the District Officer Commanding Military District No. 11.

2. Cannot be estimated. In most cases, men were en route to the front.

3. Until they are moved into concentration camp or overseas.

4 and 5. This information is given in reports.

SOULANGES CANAL—STONE FOR PIER.

*Mr. BOYER:

1. How many tons of stone did the Government purchase for the construction of the pier at the head of the Soulanges canal?
2. What price per ton was paid?
3. How many tons were purchased from Philias Doré, of Valleyfield?
4. What price per ton did he receive?
5. By what method of transportation was such stone conveyed to the works?
6. How many boats, scows and men were employed in such transportation?
7. How many days were required for the transportation of such stone?
8. What was the daily cost of such work?
9. What amount has Philias Viau received so far?
10. What amount is still due him?

Mr. REID:

1. 5,775 tons.
2. $1.20 per ton on scow at Valleyfield.
3. 5,775 tons.
4. $1.20 per ton.
5. By Government-owned scows and tug —the Carillon.
6. Two scows, one tug, six men.
7. Transportation at the rate of one trip per day for 52 days. Each trip consumed about two hours.
8. $2.35 for fuel and oil. No charge made for crew and tug which did the hauling, while the dredge she was attending was loading her own scows and otherwise would have been idle.
9. Nothing has been paid Philias Viau.
10. Nothing.

GUARDING AN INTERNATIONAL BRIDGE.

Mr. MICHAUD:

1. What arrangement has been made with the United States of America for supplying sentries for days and nights in watching the International railway bridge between Van Buren, Maine, and St. Leonard, N.B.?
2. Is the Government aware that these sentries are being accommodated in American cars? If so, who has ordered said cars for our Canadian soldiers?
3. Are the United States of America paying part or the whole expenses to watch the said bridge?

Sir SAM HUGHES: No arrangements have been made with the United States of America, but, on request of the president of the Bangor and Aroostock Railway Company, a guard was furnished by the Militia Department, the company agreeing to furnish the housing accommodation of this guard, and no complaint was ever received.

SWIFT CURRENT POST OFFICE SITE.

Mr. W. M. MARTIN:

1. Has the Government purchased any property in the city of Swift Current for a post office site?
2. If so, what is the description of such property?
3. What was the date of such purchase, and what was the price paid for such property?

Mr. ROGERS:

1. Yes.
2. Lots 19 and 20, block 55.
3. 31st March, 1914; $25,000.

CANADIAN PACIFIC RAILWAY SUBSIDIES AND GUARANTEES.

Mr. JAMESON:

1. What is the total sum of money paid out of the federal treasury by way of subsidy to the Canadian Pacific Railway Company?
2. How many acres of land have been granted by the federal Government by way of subsidy to said company??
3. What amount of bonds or other issues, if any, have been guaranteed by the federal Government on behalf of said company?

Mr. BLONDIN:

1. $30,369,374.70.

2. Main line, 18,206,986 acres; Souris branch, 1,408,704 acres; Souris branch, pipestone extension, 200,320 acres; total, 19,816,010 acres.

3. Total amount of guaranteed issues, £3,093,700. This obligation was assumed direct by the Government in December, 1906.

CANADIAN NORTHERN RAILWAY SUBSIDIES AND GUARANTEES.

Mr. JAMESON:

1. What is the total sum of money paid out of the federal treasury by way of subsidy to the Canadian Northern Railway Company?
2. How many acres of land, if any, have been granted by the federal Government by way of subsidy to said company?
3. What amount of bonds or other issues have been guaranteed by the federal Government on behalf of said company?

Mr. BLONDIN:

1. $26,155,360.65.

2. 3,422,528 acres.

3. (1) The Canadian Northern Railway Company, chap. 7, Edward VII. (1903). The guarantee is for the principal of £1,923,287 sterling, and interest thereon at the rate of 3 per cent per annum for fifty years.

(2) The Canadian Northern Railway Company, chap. 11, 7-8, Edward VII. (1908). The guarantee is for the principal of £1,622,586 19s. 9d. sterling debenture stock and interest thereon at the rate of 3½ per cent per annum for fifty years from July 20, 1908, interest payable half-yearly.

(3) The Canadian Northern Ontario Railway Company, chapter 6, 1-2 George V. (1911). The guarantee is for the principal of £7,493,835 12s. 4d. sterling debenture stock and interest thereon at the rate of 3½ per cent per annum for fifty years from May 19, 1911, interest payable half-yearly.

(4) The Canadian Northern Alberta Railway Company, chapter 6, 9-10, Edward VII. (1910) as amended by chapter 8, 2 George V. (1912). The guarantee is for the principal of £647,260 5s. 6d. sterling debenture stock and interest thereon at the rate of 3½ per cent per annum for fifty years from May 4, 1910, interest payable half-yearly.

(5) The Canadian Northern Alberta Railway Company, chapter 6, 2 George V. (1912). The guarantee is for the principal of £733,561 12s. 10d. sterling debenture stock and interest thereon at the rate of 3½ per cent per annum for fifty years, from April 1, 1912, interest payable half-yearly.

(6) By The Canadian Northern Railway Guarantee Act, 1914, authority is given the Dominion to guarantee the securities of the Canadian Northern Railway Company to an amount not exceeding $45,000,000, together with interest thereon at the rate of 4 per cent per annum. £3,500,000 of these securities have been sold and a portion of the remainder has been pledged for the purposes set out in the Act.

GRAND TRUNK RAILWAY SUBSIDIES AND GUARANTEES.

Mr. JAMESON:

1. What is the total sum of money paid out of the Federal Treasury by way of subsidy to the Grand Trunk Railway Company?
2. How many acres of land, if any, have been granted by the Federal Government by way of subsidy to said company?
3. What amount of bonds or other issues, if any, have been guaranteed by the Federal Government on behalf of said company?

Mr. BLONDIN:

1. For Victoria Jubilee bridge, $500,000.

2. None.

3. No bonds or other issues have been guaranteed by the Federal Government for the Grand Trunk Railway.

DR. FERGUSON.

Mr. COPP:

1. Is Dr. Ferguson, of the city of Moncton, in the employ of the Canadian Government railway?
2. If so, in what capacity is he so employed?
3. If he is so employed, when did he get his appointment?
4. What salary does he receive?
5. Is any allowance given him for expenses over and above his salary? If so, how much?

Mr. REID:

1. Yes.

2. Chief medical officer.

3. May 10, 1915.

4. $2,500 per annum.

5. Yes, actual expenses when travelling on railway business.

SUPPLIES FOR THE 106TH REGIMENT.

Mr. MACDONALD:

1. From whom were tenders called for the supply of milk to the soldiers of the 106th Regiment, billeted at Pictou, N.S.?
2. What were the prices from each tenderer?

3. What were the prices received from each tenderer for meat, groceries and coal, respectively, for the use of such soldiers?

4. To whom was the contract awarded in each case?

Sir SAM HUGHES:

1 and 2. No contract made.

3. Meat, only three tenders received:

	Beef. per lb.	Mutton per lb.
Pope Bros.	13½c.	13½c.
Michael Maher	16c.	16c.
John M. Murdock	13¾c.	13¾c.

Groceries. Only one tender received—John Munro: Bacon, breakfast, 27c. per lb.; bacon, green, 22c. per lb.; potatoes, $1 per 60 lbs.; beans, 8c. per lb.; dried prunes, 40-50, 12c. per lb.; butter, creamery, 37c. per lb.; butter, dairy, —; cheese, 22c. per lb.; rice, 5½c. per lb.; split peas, 7c. per lb.; rolled oats, $3.25 per 90 lbs.; sugar, white, $7.25 per 100 lbs.; salt, 1½c. per lb.; pepper, 30c. per lb.; fresh vegetables, 3c. per lb.; turnips, 1c. per lb.; lard, 17c. per lb.

Soft coal. Only two tenders received: Steam coal, double screened, Peter Brown & Son, $4.60 per ton. D. W. English & Co., $4.90 per ton.

4. Contract awarded as follows: Meat, Pope Bros.; groceries, John Munro; soft coal, Peter Brown & Son.

POWDER MILK.

*Mr. J. J. HUGHES:

What quantity of milk can be made from a pound of powder milk?

Sir SAM HUGHES: I really have no way of judging. I presume it would depend on the quantity of water.

Mr. HUGHES: Powder milk costs 14⅓ cents a pound, and I want to know whether it is as cheap as liquid milk.

Sir SAM HUGHES: We are trying to get a scientific answer to the question.

Mr. HUGHES: I want a practical answer. Let the question stand.

Sir SAM HUGHES: Does the hon. gentleman wish the question to stand?

Mr. HUGHES: Yes, if I can get a practical answer.

Sir SAM HUGHES: The only answer I can give is, "Add water."

COMMUNICATION BETWEEN EUREKA AND NEW GLASGOW.

Mr. MACDONALD:

1. Have any requests been received by the Railway Department with reference to providing better accommodation for the people of Eureka, county of Pictou, in going to and from the town of New Glasgow?

2. If so, what action has been taken in regard to the said request?

Mr. REID:

1. Yes.

2. The matter is being inquired into at present.

SUPPLIES FOR 40TH BATTALION.

Mr. MACDONALD:

1. Were any tenders called for the various supplies required for the men of the 40th Battalion, quartered in New Glasgow, Nova Scotia, in 1915?

2. If so, from whom were they asked?

3. To whom were the various contracts awarded?

Sir SAM HUGHES:

1. B Company of the 48th Battalion, stationed at New Glasgow received an allowance in lieu of rations. Therefore, no tenders were obtained or contracts made by the department.

2 and 3. Answered by No. 1.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Edwards.—For a return showing the amount paid out for new buildings and repairs at the Royal Military College and at Fort Henry in each of the years 1912, 1913, 1914 and 1915; to whom the money was paid; the amount in each case; what portion of the work was tendered for; and the amount of each tender submitted.

Mr. Lanctôt.—For a return showing the number of permanent employees in the Department of Inland Revenue in 1915-16; the number there will be in 1916-17; the amount paid in salaries for temporary employees in each of the following years: 1912-13, 1913-14, 1914-15, and 1915-16; and the names of the temporary employees and dates of their appointment, respectively.

Mr. Macdonald.—For a return showing the names of all shell inspectors employed in and about the Nova Scotia Steel Company, and the other factories producing shells at New Glasgow, in the county of Pictou.

Mr. E. Lapointe.—For a copy of plans, profiles, reports, correspondence and all documents concerning the construction of a viaduct at Amqui, on the Intercolonial railway, at the place called Traverse Dubé, Dubé Crossing; also of the plans of properties belonging to the Intercolonial railway at Amqui, and of the land leased to the municipality of Amqui, with a copy of the lease affecting such land.

Mr. E. Lapointe.—For a copy of all reports and documents concerning the surveys made by the Federal Government during the autumn of 1914 of Lake Matapedia and the river of the same name down to the village of Amqui.

Mr. E. Lapointe.—For a copy of all documents, correspondence, reports, etc., concerning the dismissal of J. B. Levesque, of Rivière Ouelle, as steward on the steamer Champlain.

Mr. E Lapointe.—For a copy of all documents, reports, correspondence, etc., relating to the changing of St. Eleuthère station on the National Transcontinental railway.

Mr. E. Lapointe.—For a return showing the names of all persons who worked at the repairing of the wharf at Rivière Ouelle during the summer of 1915, with a statement of their occupations and the amount paid to them, respectively.

VOTES FOR WOMEN IN DOMINION ELECTIONS.

On the notice of motion:

Mr. Pugsley: Proposed resolution: That, in the opinion of this House, it is desirable that the Government should promote legislation to amend the Dominion Elections Act, so as to provide that upon any province of Canada enacting legislation giving women the right to vote for members of the provincial legislature, such women as are on the provincial voters lists, or as are otherwise entitled to vote for members of the legislature in such province, shall also, unless otherwise disqualified, have the right to vote at elections for members of this House.

Mr. PUGSLEY: Unless the Government desire the order to stand, I should like to proceed.

Mr. ROGERS: Would my hon. friend let this resolution stand for to-day? Certain other arrangements have been arrived at between the whips.

Mr. PUGSLEY: Very soon there may be elections in the province of Manitoba, where they have passed a law giving women the right to vote. Under the Dominion Elections Act it is very doubftul indeed whether women could vote at elections in Manitoba for representatives of the federal House. Women are expressly excluded from voting in Dominion elections in the provinces of Saskatchewan and Alberta; it is desirable, I think, that this should be made clear. Perhaps my hon. friend will say that there will be another opportunity of bringing the resolution up.

Mr. ROGERS: I think there will be no doubt as to that.

Notice stands.

REGIMENTAL BANDS.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX: Would the Minister of Militia inform me what are the regulations governing the various battalions in respect to the formation of bands? I am the president of the Civilians' Committee of the 163rd, the new battalion being formed at Montreal, and I have been asked to urge on the Government the necessity of having a band for that battalion. I know that in several cases the citizens have subscribed funds for the purchase of instruments, but I wish to know if the department grants any help towards the maintenance of a regimental band. I am told that in this new regiment we have all the elements for the formation of a band, but they would like, if possible, to get the instruments from the Government.

Sir SAM HUGHES: The rule is that we furnish bugles and drums for the bugle bands of the different regiments, but regiments wishing brass bands furnish the instruments themselves. They have done that all over the country. I wish to add my tribute of appreciation of the work which our good friend from Rouville (Mr. Lemieux) is doing in connection with the formation of this new battalion. I understand, as he has suggested, that among its members are men with all the qualities of good bandsmen, and also all the qualities of good fighters.

Mr. LEMIEUX: I thank my hon. friend for his answer.

QUEBEC JUDICIAL VACANCY.

On the Orders of the Day:

Mr. LEMIEUX: I have received a telegram from some members of the Bar of Montreal asking if the Government have decided to appoint a new judge there. There has been a vacancy on the Bench in Montreal for over a month now, and the business at he court house is very congested. The barristers and the judiciary would be more than pleased if the Government would come to a decision and appoint a new judge.

Mr. ROGERS: I think my hon. friend asked this question the other day, when the Minister of Justice was present. As I understand, the answer of the Minister of Justice was, in effect, that he was giving the matter consideration, and that he hoped to be able to reach a conclusion in a very few days.

ENLISTMENT OF CIVIL SERVANTS.

On the Orders of the day:

Mr. PUGSLEY: I wish to secure some information from the Minister of Militia in reference to Civil Service enlistment. We have been informed by the Government that since the first of November last young men in the Civil Service who enlist are allowed the difference between the pay

which they receive as military men and their salaries as members of the Civil Service. I am informed that members of the Civil Service who have entered the service since the war began, that is, during the past eighteen months, are deprived of this privilege. I wish to know if that distinction is made and, if so, the reason for it. It is a matter of great interest to members of the Civil Service, particularly those who have joined the Service since the war broke out. I am unable to see why any difference should be made in the treatment of the two classes of civil servants, but I am told that such is the case.

Sir SAM HUGHES: The rule in force is that members of the Civil Service who enlisted in the army prior to the 1st of November last draw their salaries as civil servants and also their pay and allowances as soldiers. Those who have joined the colours since the 1st of November, 1915, receive their military pay and an additional amount which brings it up to the amount of their Civil Service salaries, if their salaries in the service were larger than their military pay. I am not aware of the existence of any such rule as my hon. friend has referred to, and I do not think that young men who have joined the Civil Service since the war broke out are discriminated against as he has suggested. I will look into the matter and give my hon. friend further information.

Mr. PUGSLEY: My information comes from two different sources, and I am satisfied my hon. friend will find, on inquiry, that there is ground for the statement which I have made.

Sir SAM HUGHES: I will look into it.

QUESTIONS OF PRIVILEGE.

CHARGES IN SASKATCHEWAN LEGISLATURE.

On the Orders of the Day:

Hon. ROBERT ROGERS (Minister of Public Works): Mr. Speaker, I desire to rise to a question of privilege. I have been informed by some members of the press this morning that there is a bulletin outside some of the newspaper offices to the effect that the Hon. Mr. Calder, a member of the Government of Saskatchewan, stated in the Legislature yesterday that I was the instigator of certain charges that are being preferred against members of the Government of that province. What I wish to say is that if such a statement has been made it is absolutely untrue. I am informed further that a statement has been made that I approached Mr. Calder a few months ago in respect to arranging the withdrawal of the charges against the ex-ministers in the province of Manitoba. Let me say that if Mr. Calder has made this statement, which I very much doubt, it too is absolutely untrue.

LIEUT.-COLONEL JOHN CURRIE, M.P.

Sir SAM HUGHES (Minister of Militia): I ask the indulgence of the House to rise to a question of privilege. In to-day's Hansard, I find in the excellent speech delivered yesterday by the hon. member for North Simcoe (Mr. Currie), that he referred to his non-recognition in the way of distinction or honours for his very excellent conduct at the battle of St. Julien. He said:

> If anything has been said or done since to my injury, there are only two men who stood between me and any decorations that might have come to me, or any "mention in despatches," and these were General Alderson and the Minister of Militia here. One was six miles back of the line all through the fight, and the other was attending to his duty in Canada, about 1,800 miles away.

I may point out, Mr. Speaker, that the command and administration of affairs at the front are absolutely independent of Canada, or, for that matter, of Great Britain. They come under the direction of the Field Marshal, or the General Officer Commanding the forces at the front. In regard to decorations, the hon. member for North Simcoe has as much to do with them as I have. I was not in the field, and therefore was in no position, other than from hearsay, to make a recommendation, even supposing I had the right to do so. Every one will admit that it would be a great presumption on the part of any one who had not been in the field, and who was not familiar with the actual operations, to interfere in the sense of making any recommendation. I may say that I have had a great many requests from young fellows, brave young fellows too, to make recommendations, but it can be easily understood that it would be altogether out of place for me to attempt anything of the kind. I was speaking with one young gentleman who won the Distinguished Service Order at St. Julien, and he remarked to me that he felt ashamed almost to take it, because out of the 4,000 men in his brigade who took part in the fight, he felt that 3,999 had earned it just as much as he had. The fact that a soldier, or an officer, does not receive recognition does not signify that he has not done his duty.

I may say, since the hon. member for

North Simcoe himself referred to the matter, that rumours have been going round as to his conduct in the field. Personally I do not pay any heed to rumours, and I may observe that at every opportunity I have had of mentioning his name I have stated that Colonel John Currie, commanding the 48th Highlanders, 15th Battalion, Overseas Forces, had, so far as I could find out, done his duty fearlessly and well. There were two rumours current. One had it that he had been found during the fighting in the rear of the British division, a considerable distance away from his regiment. If that rumour were correct it would require some explanation, but Colonel Currie was not there. Brigadier General Curry, who had a perfect right to be there, was there looking for reinforcements from the British division to help in the fight. General Curry had a perfect right to be there, because it was his duty to look for reinforcements.

Another rumour connected with that fight was that—I forget whether it was on the second or on the third day—Colonel John Currie was back in the rear of the Yser canal, behind Ypres. I investigated this rumour, and found that he was not in Ypres until 4 o'clock, or thereabouts, on the afternoon of Saturday, and that the officer referred to was again Brigadier General Curry, who was back, as was his duty, to consult General Alderson in the matter of getting orders for holding the position.

With regard to a recommendation, I took the matter up with General Turner, on two occasions verbally, and on one occasion in writing. Without suggesting that I was interfering in any way, I asked, as I had a right to do, for a report on the matter, and I inquired if he could give any reason why Colonel John Currie, if he was entitled to recognition, had not been given it. I have not yet received an answer to either of these requests. I have nothing to say further than this: that every one who knows Colonel John Currie believes that he is a thorough soldier, brave, and fearless, and one who performed his duty fearlessly and well on that occasion. So far as in me lies, I have endeavoured throughout this struggle to confine myself to my own part of the game. As I have said, the command and administration at the front are entirely under the direction of the Field Marshal or General Officer Commanding the forces, and that is as it should be. Every one will admit that for politicians, minister of militia, or any one else to interfere in the matter of giving a decoration to this man, or an order to that man, would be entirely subversive of discipline, and of the best interests of the service.

FREE WHEAT.

The House resumed, from Wednesday, February 16, consideration of the proposed resolution of Mr. Turriff:

That in the opinion of this House, in order to secure to the farmers and people of Canada the advantages of the American market for wheat products and potatoes, steps should be taken at once to put these articles on the free list in the Canadian Tariff.

Hon. ROBERT ROGERS (Minister of Public Works): Mr. Speaker, when the House rose at six o'clock on Wednesday last I had just made a passing reference to the very abnormal premium being paid to-day on Canadian wheat available for immediate shipment from Atlantic seaports to the United Kingdom, or to France, or to Italy, or to Belgium. I did not then have the opportunity of making an explanation of the circumstances which have brought about this favourable condition of affairs, and before doing so to-day perhaps I will be permitted to say a word or two in respect to certain statements that have been made regarding comparative prices in the Canadian market at Winnipeg and Fort William, and in the American market at Minneapolis and Duluth. Let me begin, Sir, by saying that it is impossible for even the most experienced trained man in the trade in this country to be able to make an accurate statement by way of a comparison of prices between those different markets, for the simple reason that the conditions in the two countries are entirely different. We have at the markets of Winnipeg and Fort William, the same conditions that obtain throughout the rest of the Dominion where wheat is being traded in. We have adopted and we maintain a high standard of grading, and under this high standard our grain trade is carried on. But, the conditions are entirely different on the other side of the line. They not only have their grades but they also have their sample market, a condition that, in my humble judgment, carries with it an advantage to the grain producers of that country. I feel now, as I have always felt, that the farmers of western Canada have suffered to a very considerable extent by reason of the fact that we have no sample market. Shortly after I came to this House I had the pleasure, in company

with the rest of my colleagues from the province of Manitoba, of waiting upon the Minister of Trade and Commerce (Sir George Foster) to press upon him the desirability of the establishment of a sample market. I felt that I was justified in this by reason of the fact that for years previously I had been listening to the Grain Growers' executive of that province urging upon myself, and upon other public men in the province, the necessity and desirability of a sample market. The Minister of Trade and Commerce gave heed to our request, and came down to this House and secured the necessary powers to carry it into effect. But, strange to say, no sooner had we reached this point, than this very same Grain Growers' executive appealed to the Minister of Trade and Commerce not to establish such a market. If we have not a sample market in western Canada to-day, the executive of the Grain Growers' Association is responsible and blameable.

On the American side they not only have a sample market but they have adopted methods of their own, resulting in what is called picking the grades. I perhaps might explain that the grain dealer who is receiving wheat has his own man look at a lot of wheat which has been graded, say No. 1 hard, or No. 1 Northern. This man will say: that will go into such and such a bin—it is a very good No. 1 Hard, or No. 1 Northern, as the case may be. The next car will be graded by the same person who will put it in bin No. 2, by reason of the fact that he does not consider it quite as good a sample as the car he has placed in bin No. 1; and the same thing will occur all down the line with respect to four or five different grades. That is what they call picking the grades in the markets at Minneapolis and Duluth. When these grades are picked over, the prices quoted in Minneapolis for a specific grade of No. 1 Northern vary at times as much as ten cents per bushel, while in Canada we have one definite standard for each grade, and our grading is maintained at that high standard, and therefore each grade, as fixed by the inspector, carries one and the same price. But these conditions are entirely different upon the American side, and by reason of that fact, it is impossible, for any member of this House, or any experienced grain buyer in the country, to make an accurate comparison of prices as between the markets at Winnipeg and Fort William and the markets at Minneapolis and Duluth.

To return to the question of the abnormal premium being paid on Canadian wheat to-day, let me first of all acknowledge that a portion of it is probably due to the war conditions under which our great agricultural capabilities have become so universally recognized in the wheat markets of the world; but it is probably more largely due to the fact that we have maintained in Canada a very high standard of wheat grades, and that we have traded under these standards for many years past. Because of the methods pursued by the grain trade of the Dominion, as compared with the methods employed in the United States, where they pick and lower their grades, a great advantage has come very recently to the grain producers of western Canada. In order that the House may understand the correctness of this statement, I shall quote from a supplement published by Broomhall's Corn Trade News of Liverpool, dated January 4, 1916, about six weeks ago. This paper, as every person in Canada who knows anything about the grain trade will understand, is published at Liverpool, and is the leading publication of the United Kingdom in connection with grain and flour. This Supplement contains a statement prepared by the Corn Association of London, with the co-operation and support of the corn associations of different parts of the continent as well. These united associations of the corn and grain trade of the United Kingdom and of the continent, prepared this statement for Broomhall's Supplement. Dealing with the conditions with which they were concerned as the purchasers of large quantities of wheat from various countries for consumption in Great Britain, they were very anxious to make a wide, a comprehensive, and a clear statement, and therefore they dealt fully, not only with their own conditions, but with the conditions in the United States and in Canada. Having prepared this statement, they waited upon the American Ambassador in London and made the request of him that he transmit it officially to the United States Secretary of Agriculture at Washington.

This statement contains a general review of the grain trade, and as it is rather long I will trouble the House with only such portions as relate to the United States and the Dominion of Canada:

Concerning United States Wheat Shipped from Atlantic and Gulf Ports.

For many years, European buyers of United States grain shipped from Atlantic and Gulf ports, have expressed grave dissatisfaction with the conditions of trading in respect of the qua-

lity of grain exported on Certificate. Matters have now reached a climax. According to the rules governing the inspection of grain in the State of Illinois—

"No. 2 Hard Winter Wheat shall include all varieties of Hard Winter Wheat of either or both light and dark colours, dry, sound, sweet and clean, and may contain not more than 25 per cent of Soft Red Winter Wheat, and weigh not less than 59 pounds to the measured bushel."

Large quantities of No. 2 Hard winter wheat, 1915 crop, Chicago inspection, have been sold and shipped in the last few months. A very large proportion of this wheat was neither dry, nor sound, nor sweet, nor did it weigh 59 pounds per bushel, nor even was it in any degree hard on its arrival in this country. Evidence in support of these statements is provided in Appendix A accompanying this communication.

This is what they have to say in regard to Canada, and I am sure it will be of interest to hon. members of this House and the country generally:

Prior to 1912, serious complaints were made against Canadian grading, but the Dominion Grain Act of 1912 and the administrative arrangements ancillary thereto, have effected very great improvements so that all European buyers have now confidence in Canadian certificates, and though a great number prefer trading on sample or on standard, they acquiesce in the system of grading and its concomitant "certificate final," as established by Canadian law and carried out by Canadian practice. Therefore in this brief historical review no mention need be made of the communications between European buyers and Canadian representative bodies.

One very important fact which has greatly enhanced the reputation of Canadian grading is this. Both in the United States and Canada a large proportion of the crop is sold before it is reaped. The buyer should be in a position to rely upon the grading rules current at the time the deals are made; in other words, the grain when it is reaped should be graded on its intrinsic merits according to rules which should not be changed from season to season. Canadian law and practice embody this principle. When the weather has been bad during harvest in Canada and the quality of the crop has therefore been depreciated, the statutory grades have nevertheless not been changed, and buyers have obtained grain of the quality they expected and had a right to expect.

With regard to trading in the United States, they say:

The merits or demerits of a system of grading are not ascertained on a crop harvested under favourable conditions. Between the crops of 1908 and 1914, trade with European buyers in United States grain languished. Then came the exceedingly favourable harvest of 1914, and an exceedingly large trade in United States grain, due, among others causes, to the fine quality of the Hard Winter wheat. Even then there was cause for complaint as to irregularities in grading, of which evidence is provided in Appendix "A", but on the whole buyers were satisfied. In that state of mind they made large purchases of the 1915 crop,

and it is important to note that the first arrivals of that wheat were satisfactory. Attention is called to a sample included in the set sent herewith, drawn from a bulk specially certified as New Crop. Such wheat would today command a ready sale on our markets for millers in the United Kingdom much desire to keep such wheats in their current mixtures, and doubtless the quality of these early arrivals induced buyers on this side to greatly increase their purchases. By the later export of grossly inferior and improperly graded wheat, some United States shippers have secured an immediate advantage, for the system of grading and trading on "certified final" appears to protect them from loss of monetary advantage on contracts then existing but the loss of good repute is serious and deplorable. Buyers cannot be fleeced with impunity. A buyer suspicious and unwilling, cannot be a satisfactory source of profit to the seller. For past years Canadian wheat has realized substantially higher prices in European markets than the corresponding grades of United States wheat, and the climax has now been reached in this further sense, that European buyers are restricting their present purchases of graded wheats almost exclusively to Canadian produce.

What more favourable condition than that could we wish to have in Canada? This favourable condition is not only cited by the Corn Associations of the United Kingdom, but is reflected in the markets of Italy, France, Belgium, and of all other countries in which our wheat comes in competition with that of the United States. This, to my mind, is Canada's great opportunity. That the grain producers of Canada have reached the goal to which they have been pressing year by year, steadily if somewhat slowly, is proved by the statement of the Corn Associations of the United Kingdom: that future European purchases will be made almost exclusively in Canada, for the simple reason that European buyers like our wheat and flour, and the way in which we handle the business. That is something of which we can be justly proud; and that is the reason why, within the past thirty days, the Canadian grain merchant who has had wheat at the Atlantic sea ports, available for immediate shipment to the markets of the world, has been able to sell his grain at a high premium. Would it be wise, now that we are in sight of this commanding position in the English market, to adopt the resolution before the House, and have our wheat go through American channels, and run the gauntlet of their methods of grading and trading, as described in the report I have just read to this House? Furthermore, in my judgment it would be a mistake for us to be entangled in any international agreement which might recoil on us in our preparations for the

blessings of peace at the close of this war. For who will deny that, so long as this war continues, the Canadian producer will enjoy the position of advantage he has had during the last sixty days in the markets of the world? In my humble judgment, no class of people will profit more by the present conditions, as described by the corn exchanges of Great Britain, than the producers of grain in the prairie provinces of Western Canada.

The same conditions obtain with respect to flour. Our exports of flour to Britain have been steadily growing year after year. I quoted the other day from the report of a commission appointed by the Government of Saskatchewan, to show how trade was increasing in the United Kingdom, and I would like to again draw the attention of this House to the opinions of that commission:

Canada's Increased Share of United Kingdom Imports.

It is of value to note the increasing quantity of Canadian exports of wheat and flour to the United Kingdom in the face of fairly constant aggregate annual imports of wheat by that country. The wheat imports of the United Kingdom are 196,000,000 bushels annually. This amount does not vary more than 8,000,000 bushels either way from year to year. During the five years ended March 31, 1907, Canada's wheat exports to the United Kingdom averaged 23,763,000 bushels annually. During the next five years, ended March 31, 1912, they averaged 49,893,000 bushels. For the corresponding periods Canada's flour exports to the United Kingdom averaged annually 750,000 barrels (representing 3,375,000 bushels of wheat) and 1,652,000 barrels (7,434,000 bushels) respectively of total imports of the United Kingdom averaging annually 6,646,000 barrels. Thus Canada already supplies rather more than one-fourth of the United Kingdom's wheat and flour imports. Roughly speaking, in these increases, Canadian wheat is replacing Russian wheat and Canadian flour is replacing United States flour. Whether the Canadian miller could continue to compete so successfully with the United States miller were the United States' duty taken off Canadian wheat is a question that only the event can prove. The commission sees no reason why in view of the protected home flour market he enjoys he would not be able to compete successfully.

Here we have a statement, made over a year ago, that Canada was supplying one-quarter of the flour that was being imported into Great Britain. I shall surprise this House, I am sure, when I state that whereas at that time we were exporting to Great Britain a little over 1,500,000 barrels of flour, we are exporting this year 3,500,000 barrels. The report of the commission goes to show that Canadian flour is replacing Russian flour in the British market, but we have the statement of the corn exchanges that the wheat produced by the Canadian farmer is almost entirely replacing the wheat of the United States, which has been our competitor for so many long years. This Saskatchewan commission states that the producers in Great Britain like our flour and wheat, and also like our methods of handling them. If the Canadian farmer sees any advantage in having his wheat milled in the United States, or if the millers of the United States see any advantage in grinding Canadian wheat, there is nothing in the world to prevent that being done. It will only cost them one dollar for every thousand bushels of wheat they deal with.

What would happen, Mr. Speaker, were we to adopt the resolution of the hon. member for Assiniboia (Mr. Turriff) to allow our wheat to go into the United States markets to engage in the mixing process that has practically ruined their trade in the markets of the United Kingdom, according to the authorities I have read? At best, it could have the effect of using but a small proportion of our good wheat, and that wheat would be mixed with a large volume of the poor wheat of the United States, and then our wheat and our flour would have to come into competition with this product in the markets of the United Kingdom. I ask you, would that be fair either to the Canadian farmer or to the Canadian people as a whole? Let me point out that the effect which this resolution would have on our whole crop is indicated by the following:

The want of uniformity in the system of grading must result in a lowering of the value of the whole crop, for buyers naturally base their prices on the poorest quality they may receive. Separate grading by the different ports tends to lower the grades in an endeavour to secure trade.

That is exactly what would happen to us should we adopt the resolution before the House. We should also lower our grades, and should have to meet the form of mixing employed in the United States. We have to-day a position of great advantage with our wheat, a position which we have won gradually by our own efforts.

Beyond question of doubt all these conditions justify us, having in view the interests of the farmers themselves, in rejecting this resolution, and thereby permitting these favourable conditions to continue.

The farmers of Western Canada have carried on their industry in a manner that has won for them a position of vantage and of respect. At the outbreak of the war, heeding the call of the Allies for increased production, they planted an unprecedented

acreage of wheat. They have been blessed with an abundant harvest, and I am sure that next year they will do again what they have been able to do in the year that is past. They recognize their duty in this great struggle, and they are performing it faithfully and well. While we shall ever acknowledge our great and lasting appreciation of the devotion and self-sacrifice of our gallant sons who have gone to defend our freedom and our liberty on the field of battle, we should not forget that "peace hath her victories not less renowned than war." Those who remain at home to till the soil in order that an abundant harvest may be obtained, and in order that the staff of life may be sent to England, France, Italy, and Belgium are performing a service for civilization no less important, though, of course, less spectacular, than that which is being performed by those who are engaged in the fight. At the close of the war no class of the community will be more interested in the lines upon which the peaceful development of the world may proceed than will the grain growers of Canada. A certain sentimental benefit will come to them, in addition to the special position of vantage which they occupy to-day. Therefore, Mr. Speaker, it is our plain duty, having in regard the best interests of the Canadian farming community, to adhere to our good old traditional policy of keeping Canada for the Canadians. Doing this, we shall have more reason to hope that at the conclusion of the war we shall be able to supplement that advantage with an allied policy of preference within the Empire.

We have in the prairie provinces something like 300,000,000 acres of the best land in the world, of which less than 20,000,000 acres are as yet under cultivation. These facts will cause the House to understand at least in some degree the great possibilities of the prairie provinces. It is our duty, I submit, to protect our great inheritance in the prairie provinces, and to build these provinces up, as Ontario, Quebec, and the older provinces have been developed.

It is true that we are confronted with the great problem of immigration, which is inseparably connected with the welfare of the grain producers of Western Canada. A vigorous and determined immigration policy will have to follow the conclusion of the war in order that all the advantages possible may come to Western Canada. The quotations that I have made in respect of the grain trade of the United Kingdom are clear and unmistakable evidence of the fact that the grain producers of Western Canada are the first in line to secure those material advantages and compensations which will follow the conclusion of the great conflict in which we are engaged. Indeed, the war has caused the agricultural capabilities of our great western country to be recognized by the opening up of every port in the United Kingdom Italy, France and Belgium for our grain. Coupling a vigorous immigration policy with the sentimental inclination of our people towards the welfare of their own country, and of the Empire and its Allies, we may reasonably expect a large influx of immigration upon the happy restoration of peace. Indeed, the unrest bred amongst the warring nations, the severance of family and business ties, the ruin which has been wrought, cannot but tend to increase the tide of immigration. Even the local pessimist, recently described as a person who, given the choice between two evils, promptly takes them both; even such a soured extremist must agree with Lord Derby, who has just been in close contact with the British masses, in his statement: that after the war there will be a tremendous rush to the British colonies of young men who are soldiers at the front. You will never get these former clerks and others from the middle classes to remain in Great Britain when peace comes. We in Western Canada appreciate Lord Derby's words; we believe that the fulfilment of this prophecy will bring untold advantage to that portion of Canada, the people of which at all times, and never more than to-day, recognize their duty not only to their own provinces, but as well to the whole of the Dominion. Next to winning the war, the first thought of Canadians everywhere, whether they be farmers, merchants, bankers, lawyers, manufacturers or politicians, should be given to the great task of assisting to protect Canada from the financial, industrial and commercial consequences which the devastation of this war is bound to let loose upon mankind. To my mind the great and pressing question for us in Canada is how to fortify our country against these conditions. In meeting them, we shall have to compete not so much with belligerent nations as with neutral countries that are not absorbed, as we are, in the great task of winning the war. These neutral countries have already begun to prepare for peace. Some of them are enjoying fabulous prosperity to-day through their legitimate

and friendly activities in connection with the war. I make no adverse criticism of this; for these countries I have, on the contrary, many warm words of gratitude. But the inevitable effect of this condition is that these countries take, what we may without critical intent call, the prosperity-promoting view of the war. They are free, as we are not free, to study carefully how profits may be extracted from this colossal tragedy.

Therefore, we should be very careful in any step that we may take, in order to make sure that we do not let them beat us in the discovery of how best to profit by the novel conditions which will follow peace. It will be no trivial matter for Canada to be so beaten, no small question of losing a little trade; it will be a matter of life and death for this country. Would it be wise for us to commit an act which would have for its purpose the denuding of our railways of their traffic. We have erected a great railway framework in this country for a prolonged period of progressive population. When we courageously and optimistically launched our vast railway project, belting the continent with three transcontinental lines, we were not calculating on legislating to divert their traffic to American lines; we were calculating not alone on feeding those lines with the produce of our present population of seven millions or eight millions; we were calculating, and calculating with reason, on a continuation, with marked increase, of our then immigration boom, and we saw the mighty tidal wave of immigration sweeping into this country from across the Atlantic and from across the American border, and we wisely prepared for it. Moreover, the West, and especially the grain producer of Western Canada has realized, and he realizes more than ever to-day, that we must undertake to educate the manufacturers of this country. We are often told that the manufacturers control Parliament. This is a chance for us to show that we can give the lead to the manufacturers. They are busy men, too busy often to look into new opportunities or to experiment in new fields. I claim that we have in Western Canada the greatest opening, the greatest field, for manufacturers and industrial development that is to be found in any part of the civilized world. So this Parliament should step in and subject our manufactured imports to the closest scientific analysis, and discover just what prevents every one of them from being made in Canada. Canadians are quite as well able as are any Europeans or Americans to manufacture the articles we require, and in no place are conditions more favourable for manufacturing than they are in the Prairie Provinces. We have there in many forms an abundance of raw material, of natural products, of cheap power, and of capable labour; and there is nothing too difficult, or too intricate, for us to undertake. It would not be too forehanded for us to import industrial instructors when necessary. We want for Western Canada an informed industrial leadership, a skilled industrial population, the best of both in the world. We should know exactly what the articles are that we buy in foreign markets, and we should have workmen to make them for us, and we should pay them handsomely. Let us manufacture these things at home, let us keep that money in our own country. That is the policy, and it is the only policy which to my mind is capable of ensuring a brighter and greater development in the Prairie Provinces of Western Canada. You will tell me that is the old Protection argument. That is just what it is; it is Sir John Macdonald's National Policy brought up to date; and it is what I propose, and what I believe he would propose if he were here to-day and saw the wonderful opportunity that peace is going to bring to our Dominion.

Therefore in view of those favourable conditions, conditions that have been created in a great measure during the last sixty days, as laid down in the very important statement given out and transmitted by the united corn exchanges of the United Kingdom and the continent, through the American ambassador to the Government of the United States, I say that we should appreciate the advantage of our position and that we would fail in our duty, especially to the farming community of Canada, and more especially of Western Canada, if we did not reject the resolution of my hon. friend the member for Assiniboia (Mr. Turriff), in which he proposes to divert our wheat into American channels as much as possible and thereby allow it to become mixed with American wheat, in which case we would have to go over again all the work that we have done in the past to establish our own transcendent identity in the markets of the world. To-day we are absolutely masters of the situation, so long as we continue to maintain our high standards and in the future to carry on our business in the efficient manner it has been

carried on in the past. If we act in this manner we shall be doing that which is best in the interests of the farming community of Western Canada, and I therefore hope, in view of the changed conditions, that my hon. friend from Assiniboia will withdraw his resolution and allow the matter to stand in its present favourable condition.

Mr. ROBERT CRUISE (Dauphin): Mr. Speaker, as I come from a constituency in Manitoba composed mostly of agriculturists, I feel I would not be doing my duty if I did not say a few words in favour of this resolution. A great deal has been said for the resolution and a great deal against it, but the one fact remains, and we cannot get away from it, that the farmers of this country are demanding the free admission of their wheat into the United States.

Mr. BURNHAM: Not the farmers of Ontario.

Mr. CRUISE: When I say wheat I mean wheat and the products of wheat; I do not wish to be misunderstood. It does not make any difference what arguments hon. gentlemen put up, the farmers of Western Canada have made a study of this question and they are determined to have free wheat from some Government. If this Government do not concede their wishes some other Government will. The Minister of Public Works (Mr. Rogers), when speaking on this question last Wednesday, took a very different view from that of the Minister of Finance, and I am prepared to take the statement of the Minister of Finance rather than that of the Minister of Public Works. The Minister of Public Works argues that the Canadian farmer gets more for his wheat than the American farmer. The Minister of Finance has quoted statistics which he has caused to be compiled by his department to show that the American farmer gets more, for his wheat than does the Canadian farmer. I shall read what both hon. gentlemen said and leave it to the House to judge between them, and to take the word of the Minister of Public Works or of the Minister of Finance as they prefer. The Minister of Finance said:

> Since last September I have caused statistics to be gathered, and the spread in price has been from three to eight cents a bushel, or even more, in favour of the American market.
>
> [Mr. Rogers.]

That is the statement made here by the Minister of Finance. The Minister of Public Works said:

> Come with me to New York, and you can stand on the docks and see Canadian wheat going to Liverpool at a price representing from twenty to twenty-five cents a bushel more than wheat from the United States.
>
> Mr. Oliver: Did the Canadian farmer get twenty-five cents a bushel more for it?
>
> Mr. Rogers: The Canadian farmer is getting a good deal more for his wheat this year than the American farmer is getting for his, notwithstanding the statements made by hon. gentlemen opposite. The extravagant statements they put forth do not agree with the facts. Every person knows that in trading in wheat there is no wide margin for the trader, for there are too many in the business and the profit is limited by competition. The fact is that Canadian wheat commands a price at at the American seaboard of from twenty to twenty-five cents a bushel more than the American wheat. That is one of the reasons why I say this House would fail in its duty to the farming community of Western Canada if it did not reject the resolution of my hon. friend.

Thus we have diverging statements of both hon. gentlemen in connection with the price of wheat, and I leave them with the House and the country. I prefer, as I said, to accept the statement of the Minister of Finance. We in Western Canada all know that the price on the American side is much higher than the price on the Canadian side. Another point that should be enlarged on is, that the Canadian grades are so much higher than the American grades—and the quotations are always made on the grade—that if we take into account the difference between the grades, the Canadian farmer loses considerably more than the difference in the price quoted, as his wheat would grade higher in the United States than in Canada. I shall read a letter which I have received from the vice-president of the Grain Growers' Grain Company. I do not believe there is any fairer minded man in the western country than this gentleman. He used to be a strong Conservative; to-day he has no politics, he is independent. He writes:

> I am proud of the fight that I see some of your men put up for free wheat. To my mind the most important thought so far as free wheat is concerned is that so many of our able men contend that when at times they find the Winnipeg prices are equal to those of Minneapolis and Duluth come to the conclusion that under this period, free wheat would be no benefit to the wheat producers of Canada. This is an awful dream, for where they seem to miss their cue is in the fact that Winnipeg prices may be equal to that of Minneapolis and in their opinion would go to show that the Canadian farmer was getting as great a price as the Dakota or Minnesota farmer. This is

truly a great dream, for the reason that Manitoba 1, 2, or 3 Northern on an average contains 5 cents per bushel, wheat based at $1 per bushel, the same milling value for the Minneapolis or Duluth grades.

The explanation is that after the Manitoba farmer cuts 100 acres of the finest Red Fife Wheat and when it goes into shock it is the finest 1 Northern Wheat, but because of climatic conditions coming before it is threshed it has become bleached and therefore our inspectors according to the Canadian Act or Inspection Act are obliged to place that wheat down into 2 or 3 Northern, while for milling values it is not reduced in any particular. This has been proven by chemical and scientific tests, that not once in ten years has the average of this wheat been affected by climatic conditions so far as market valuation is concerned. But when we go over into Dakota or Minnesota we find that the 100 acres of wheat cut under the same conditions and after it has gone into shock is number 1 Hard Wheat, but by climatic conditions it has lost its colour, yet when that grain reaches the Minneapolis Sample Market and governed under the Minneapolis Grain Act, we find that while the grain has lost its colour it is still No. 1 Northern and the farmer in Minneapolis and Dakota gets from 3 to 7 cents a bushel more for that same wheat than can be obtained in the Winnipeg market. The Inspection or Canadian Grain Act reads that No. 1 Northern shall contain 60 per cent of Hard Red Fife Wheat and the Minneapolis inspection demands that No. 1 Northern shall contain 60 per cent of Hard Wheat. Now there is only two words difference in the reading of the two Acts, but those two words have cost a loss to the Western farmers of not less than 5 cents a bushel when the average is taken on high grade and low grade wheat.

There is only one remedy to this situation and that is "let down the bars to the South" and that means freedom If you show me a man whose blood does not properly circulate through every member of his body, then we find a man who is not in a sound and healthy condition. So with the western country whose life blood is wheat, and should obstruction be placed in such a way that that life blood does not properly circulate, then we have an unsound and unhealthy country.

Another matter I would like to point out is that the large milling institutions get the advantage of this unfair condition and no other people can. For the reason that they can grind their grain and it is only the men who grind the grain that can participate in the loss to the farmer.

This is a letter from the vice-president of the Grain Growers' Grain Company, who has been a member of the Grain Growers' Association and of the Grain Growers' Grain Company ever since they were organized. No man understands the wheat condition better than he, and when a man of his stamp forgets party and stands for free trade in our agricultural products, I think hon. gentlemen on the other side of the House should take note of it, and accede to the reasonable request of the farmers.

There was a point in the speech of the Minister of Public Works to which I would like to make reference. He stated in connection with the Grain Growers' Grain Company, that they were the largest grain dealers in Western Canada. I will read his words, as I do not wish to misquote him:

> Will he say that Grain Growers' Grain Company are crucifying the farmers of Western Canada, for they are to-day the largest dealers and exporters of grain in the Dominion of Canada? They have shipped, I believe, something like 100,000,000 bushels of wheat.

I wish to inform the Minister of Public Works that he could not have been very well posted in the dealings of the Grain Growers' Grain Company. Speaking to the president of the Grain Growers' Grain Company some time ago, I happened to inquire as to the volume of business which they were doing, and he told me, and his information shows that the statement of the Minister of Public Works was far from the mark. I took the trouble to wire to the president, and I will read his reply:

> Winnipeg, Man., February 22, 1916.
>
> Robert Cruise, M.P.,
> House of Commons,
> Ottawa, Ont.
>
> Replying your inquiry companies last annual report shows that for crop year ending August thirty-first nineteen fifteen company handled about nineteen million bushels, year before thirty million on much larger crop. Present this year we expect handle forty million. Exporting is done through grain growers' export company which is controlled by Grain Growers Grain Company. Last year about nine million bushels Canadian grain this year we expect to do thirty or thirty five million.
>
> T. A. Crerar.

That is the statement of the president of the Grain Growers' Grain Company, showing that they have never handled more than 50,000,000 bushels of wheat.

Mr. MEIGHEN: Does the telegram state how much American grain they exported? I understand their export business covers both countries.

Mr. CRUISE: It does not mention American grain at all; it simply says that last year they exported about 9,000,000 bushels.

Mr. MEIGHEN: Their export trade is the larger part of their business.

Mr. CRUISE: The telegram says:

> We expect to export this year thirty-five million bushels.

Mr. MEIGHEN: The annual statement shows that their American business ex-

ceeded their Canadian business by many millions.

Mr. CRUISE: Even supposing the American business exceeded the Canadian business, this telegram shows that last year they only exported 9,000,000 bushels, and that this year they expect to export 30,000,000 or 35,000,000 bushels.

Mr. MEIGHEN: Canadian?

Mr. CRUISE: That is a long way from the statement of the Minister of Public Works, that they handled 100,000,000 bushels.

Mr. ROGERS: They probably did handle 100,000,000 bushels, but did not export it all.

Mr. CRUISE: According to the telegram they exported only 9,000,000 bushels. The hon. minister stated that the company exported 100,000,000 bushels of wheat, and I raised this point because the minister criticised members on this side of the House for not making accurate statements, and I wished to point out that he himself did not stick exactly to the mark. The argument that is put up against this proposition is that if we get the American markets opened up to us, the milling industry of this country will be destroyed, and the railway companies will suffer.

I would like to deal with the milling industry for a few moments. We are told, and we believe the statement of the Minister of Finance, that the millers in the United States can import our wheat into the United States without any duty, except one dollar on one thousand bushels. That puts the American miller on the same footing as the Canadian miller, so far as the exporting of our flour to the market of Liverpool is concerned. If the millers of Canada can buy our Canadian wheat, ship the flour to Liverpool or to the markets of the world, and compete against the American millers in those foreign markets, why can they not compete in the home market? There is no argument in that against this proposition. Any man who says the Canadian millers cannot compete against the American miller is a small Canadian, because our Canadian millers are as bright, as smart and as capable of milling wheat as cheaply as the American is. We have water powers, we have any amount of coal, the millers have railways at their doors, and there is no reason why they cannot manufacture flour and sell it as cheaply as the American milling company can. In connection with the railway companies, we are told that if the American markets were thrown open our grain would go south.

Mr. BURNHAM: Would the hon. gentleman be kind enough to say why he argues and special-pleads so strongly for free wheat only. If he has a broad idea of the question, why does he not include everything and give us all a fair show?

Mr. CRUISE: That question should be addressed to the Minister of Public Works, because in 1911 the whole question of agricultural products was involved and my hon. friend then opposed this proposal along with other hon. gentlemen. They waved the flag, and denied the farmers that which the farmers believed would be in their interest.

As to the railways, I do not believe that this would hurt them to any great extent. The great reason why the farmer wants the American market thrown open is that he may have competition for his wheat. We have not the competition in Canada to-day that we should have. We have a high standard, and it has proven that the man who ships Canadian wheat to Liverpool gets seven or eight cents a bushel more for it than the American shipper gets for his wheat. But the farmer does not get that advantage when he sells his wheat. If he had more competition the farmer would doubtless get a much higher price for his grain. I am one of those who believe that the railway companies will reduce their freight rates, that the companies that handle our grain will handle it on a smaller margin, and that the grain will go east over our Canadian routes instead of going south. Probably a portion will go south, but not to any great extent.

We recall the fact that last year the hon. Minister of Finance (Sir Thomas White) advised the farmers to produce more. Every farmer in Western Canada responded to the appeal of the Finance Minister by cultivating every acre of land that he could cultivate. A large number of fields that the farmers intended to summer fallow were ploughed and put into grain in order to produce as much as they could. The result has been that this year we have 335,000,000 bushels of wheat. The point I want to make is that the farmers have done their duty; they have produced every bushel of wheat that it was possible for them to produce with the help of Providence. Have the Government done their duty towards the farmers? There is a large quantity of grain in Western Canada to-day which cannot be got out. When I was

going to Vancouver some months ago I saw from the car window grain in bins on the field, and that wheat will spoil if the farmers do not get a market for it.

We were told last summer the right hon. the Prime Minister (Sir Robert Borden) went to England to secure transports to ship our wheat over. We find that we are short of transports. I do not propose to criticise the Government on that point, nor do I propose to criticise the British Government. If they think it is more advantageous to them to take over munitions of war than wheat, that is their business, and I have no criticism to offer. But the criticism I have to offer is that when our market is closed to us for lack of transports, and when buyers on the other side of the line are ready to take the wheat, the farmers are unable to sell it to them notwithstanding that the elevators at Port Arthur, Fort William, and interior points are full.

The Government have claimed that the war has raised exceptional conditions. I claim that they should meet these conditions and grant free wheat to the western farmer until the war is over. There was a pamphlet prepared by the secretary of the Grain Growers' Association some time ago. I do not like to weary the House, but I would like to read it. It shows the number of bushels of wheat that the Canadian farmer has to give more than the American farmer when he goes to buy some machinery. It says:

These comparative prices are more eloquent than words in illustrating the loss western farmers sustained from being denied access to the markets of the United States for their grain. If, however, instead of making the comparison in terms of dollars and cents, the comparison was made in terms of bushels, that is, in the terms of the purchasing power of a bushel of grain, the loss would be even more striking. Had the reciprocity agreement been accepted, many of the staple commodities that are used on the farm, such as cement, coal-oil, lumber, farm implements, etc., which are cheaper in the United States than in Canada, could be secured at a lesser price. The Canadian farmer would also receive a higher price for his product, and farmers would necessarily have to exchange less grain to secure the required articles.

A farmer in central Manitoba recently bought an American made gasolene traction engine, for which he paid $2,700. A Dakota farmer a short distance south of him could secure the same engine for $2,400, the difference being the duty. A neighbour of his bought at the same time a Canadian-made engine of the same capacity and at the same price. The farmer who bought the American-made machine put the extra $300 into the Canadian revenue to help pay the cost of government. The farmer who bought the Canadian machine put the $300 into the manufacturer's till and no one was benefited except the manufacturer.

At this point I would like to ask the Minister of Public Works who is the more loyal, the farmer who buys American machinery or the farmer who buys Canadian machinery?

Mr. ROGERS: The farmer who buys Canadian machinery, of course.

Mr. CRUISE: I understand the Minister of Public Works believes that the farmer who buys Canadian machinery is the more loyal. If a Canadian farmer buys an American threshing machine and pays $300 in duty that money goes into the coffers of the Canadian Government, and benefits the country to that extent, whereas, if he buys a Canadian threshing machine the $300 goes into the pocket of the Canadian manufacturer and nobody gets any benefit whatever except the Canadian manufacturer. I am very glad to have that question answered by my hon. friend. We know now who is the loyal farmer. If every man bought Canadian goods where would the revenue come from?

Mr. ROGERS: We would be so rich we would not want any revenue then.

Mr. CRUISE (reading):

As already stated in a previous article, the average difference in the market prices of wheat between Minneapolis and Fort William since the 1st of January—

No. 1 Nor., 10 cents per bushel.
No. 2 Nor., 11 cents per bushel.
No. 3 Nor., 13½ cents per bushel.
No. 4 Nor., 18 cents per bushel.

Taking the price as of the 1st of June, the Manitoba farmer would have to give 2,608 bushels of No. 1 Nor. wheat in exchange for his engine, while the Dakota farmer could get his for 2,122 bushels, a difference of 486 bushels in favour of the Dakota farmer. Of No. 4 wheat the Manitoba farmer would have to give 3,176 bushels and the Dakota farmer 2,243 bushels, a difference of 933 bushels. Of No. 3 oats a Dakota farmer would have to give 4,752 bushels and the Manitoba farmer 6,750, a difference of 1,998 bushels. 2,085 bushels of barley would secure a machine in Dakota while it took 4,150 bushels of No. 3 barley to secure the same machine in Manitoba. 2,085 bushels of barley in Dakota would be equivalent to 4,150 bushels in Manitoba in the purchasing of a gasolene engine. That difference exists in almost everything the farmer buys for his home and his farm. The difference in the grades in the two markets would make up for the excess freight rates that the Canadian farmer would have to pay to get the United States market. In wheat and oats the Manitoba grades are fully one grade higher than in Minneapolis, and what is more marked difference in oats is the weight

of the bushels—32 pounds makes a bushel of oats in the United States, while in Canada it takes 34 pounds.

That shows, perhaps better than any other way how the farmer loses money. Before hon. gentlemen vote on this resolution I should like to quote a few words and statistics from the high cost of living report, which was laid on the table a few days ago. On page 34 I find:

Wheat in Canada.

Year	Acres.	Yield per acre.	Total yield.	Average price per bushel.
		bushels.	bushels.	cents.
1910..	8,863,151	14·89	132,049,000	75
1911..	11,100,673	20·80	230,924,000	64
1912..	10,896,700	20·38	224,159,000	62
1913..	11,015,000	21·04	231,717,000	67
1914..	10,293,900	15·37	158,223,000	

The above shows the average prices received by the farmers for all Canada, as compiled by the Census and Statistics Branch of the Department of Trade and Commerce. It will be seen that for the three crops of the years 1911-12-13 the farmers received a little under 65 cents a bushel.

All the evidence which we have gathered from many sources leads to the conclusion that under present conditions it costs about $12 to produce and market the wheat from 1 acre. This includes interest on investment and allows the farmer average western wages for his work. At twenty bushels to the acre it gives us 60 cents as the average cost of producing a bushel of wheat in the three prairie provinces. This leaves a margin of 5 cents.

The above calculation is based on an average of 20 bushels per acre. It will at once be seen that the only farmers who really made money above their wages in growing wheat are those who produced in excess of 20 bushels per acre. When the crop dropped considerably below twenty bushels to the acre the farmer was not making even fair wages in the three years referred to. Further, this calculation does not take into consideration the fact that every bushel of wheat removed from the farm takes from the land soil material having a market value of 25 cents, which includes nitrates, phosphoric acid and potash, and the calculation is based on prices before the war.

According to that report, the farmers of western Canada are not making much money. I have farmed in the West for a number of years and have made some money, I admit, though I have not very much at the present time. I can honestly say, however, that farmers in the West cannot make very much money out of growing grain to-day, on account of the climatic conditions. A farmer in western Canada last spring, for instance, would put a hundred acres of land in first-class shape for his wheat; he would have his wheat all blue-stoned, and would go to bed in great hopes of fine weather on the morrow, when he would sow his wheat. Before he got up there would be a heavy fall of rain which would delay his seeding for a week; that might mean a loss of from five to eight bushels an acre. But granted that he has good weather in the spring and favourable weather later on, with lots of rain in June, at harvest time there may be two or three weeks' bad weather which would prevent him going on with his harvesting; and even if he has good weather for harvesting, he may have broken weather when the wheat is in the stook, as we had last fall. So the farmer has much to contend with in the way of climatic conditions; more, I think, than any other man in the country. Last fall I got forty-five bushels to the acre on land that had not been summer fallowed for seven years. The first 3,000 bushels threshed graded number 3 Northern, and was just as fine wheat as you could wish to see, though a little light in colour. Then we had a little rain, and the next two carloads graded only number 4 Northern Tough. This wheat damaged by the weather was really just as good as the first lot threshed, and that is where the millers get the advantage. Before I conclude, I wish to repeat what I have said before in this House; that the millers of Canada have to get off the farmer's back. They have, I think, made up their minds to lighten his burden, but they are doing it just as gently as they can. The millers must stand on their own feet.

4 p.m.

All the Finance Minister could do the other day, when speaking against free wheat and free wheat products, was to get behind the National Policy. I would like to ask hon. gentlemen opposite where the National Policy comes in with regard to the nickel industry. It is apparently all

[Mr. Cruise.]

right, so far as the National Policy is concerned, to export our nickel to the American side to be refined; and it is all right to let our silver go out of the country and be refined in the United States; but when the farmers of this country ask for free wheat hon. gentlemen opposite say, For national reasons we cannot grant it. I do not see much force in that, and if I had my way, I would say: To Halifax with the National Policy.

Just one more point before I conclude, there is no other industry that could be established in Canada which would develop our national resources so much as the shipbuilding industry. Canada is a producing country, and always will be, and I claim that it is up to this Government to establish a shipbuilding industry, so that our own ships can carry our own wheat to the Liverpool market. Before this war is over, there will be a great shortage of transports. The Germans are sinking ships as fast as they can. Unless we act in time, our transport trade will be captured by some other country. We are standing by and not lifting a hand, waiting to cure all these evils when the war is over. But I say that now is the time for the Government to start their shipbuilding industry. They could own and control the transports, and then they could control freight rates, and in that way producers would be greatly assisted.

Mr. ALEXANDER MORRISON (Macdonald): Mr. Speaker, the question of free trade in wheat between Canada and the United States has been the subject of a good deal of discussion in this House, in this and in former sessions. I therefore do not purpose at the present time to enter at length into the merits of the question. There is another and more important reason why I do not consider the present an opportune time to pass such legislation as is proposed in the resolution before the House. Last year the Government, through its Department of Agriculture, started a propaganda among the farmers for increased production: "Patriotism and Production" was the slogan. The object of that propaganda, I take it, was that the farmers of Canada might produce the largest possible amount of foodstuffs, to have them available for the use of the Empire during this war. The farmers of Canada responded in no uncertain manner to that appeal, and, with the blessing of Providence on their efforts, they produced the largest crop ever produced in the history of our country. I hold that it is the duty of Canadians to conserve what surplus we may have, over and above our own requirements, so that it may be available for the requirements of Great Britain and her Allies. It has pleased the great republic to the south of us to keep out of this conflict now raging in Europe, yet it cannot be denied that on more than one occasion diplomatic relations between that country and Germany have been strained almost to the breaking point, and no man can say that the United States may not yet be forced to take up arms in defence of its own national honour. Therefore, if the legsilation asked for in the resolution before the House were passed, and if sveral millions bushels of our Canadian wheat were to find its way into the United States, as it probably would, it might cease to be available for Great Britain and her Allies.

The Grain Growers Grain Company has been mentioned several times during this debate, and it might not be out of place for me to say a word or two about that institution. Hon. members generally may not know that the Grain Growers' Grain Company is an offshoot of the Grain Growers' Association, which association was organized some years ago. The producers felt that they were not receiving proper treatment from the Grain Exchange in Winnipeg, and they believed that if they had their own commission house they would be able to derive full benefit from the marketing of their grain. That asociation was formed and, I believe, did good service. After a few years they felt that if their powers were enlarged and they were given the status of a buying and exporting company, they would be of still greater service. Shares in the company were sold throughout the three Prairie Provinces I believe, and the company was organized. I have no doubt that the hon. member for Assiniboia (Mr. Turriff), the hon. member for Dauphin (Mr. Cruise), and probably the hon. member for Saltcoats (Mr. MacNutt) are shareholders in that company. They do not deny the soft impeachment, so I take it that I have correctly stated their position. The hon. member for Assiniboia shakes his head. However, the company was started in good faith, and it was expected that it would be a just and equitable middleman between the grain growers and the consumers. But it has developed that the company is just on the same footing, and doing business on the same basis of profits, as any other firm on the Grain Exchange in Winnipeg. The

hon. member for Assiniboia is quoted in Hansard as having spoken in this manner on the 14th instant:

> There is another point. In the months of September, October, and November last there was a spread of seven or eight cents a bushel between the Winnipeg and the American price, not taking into consideration the difference in quality.

What he meant, I take it, was that the price paid to the Canadian farmer, and the price paid to the Dakota farmer showed a difference of seven or eight cents a bushel in favour of the Dakota farmer.

> But what do we find when the wheat got to Liverpool? Instead of the Manitoba farmer getting seven or eight cents less a bushel than the American farmer, he received from the Liverpool merchant from six to eight cents a bushel more than the American farmer, and that cannot de denied by any one who knows anything about the grain trade.

Later on, replying to the Minister of Finance, the hon member for Assiniboia made this correction:

> Mr. Turriff: If the hon. minister will allow me, I was not correctly reported there, and I changed that portion of my speech when I got the copy of Hansard. I did not say those words at all, nor say words that meant anything like that. What I said was, that while the Canadian wheat was seven or eight cents a bushel lower, when that wheat got to Liverpool, it sold for seven or eight cents higher than the corresponding Mineapolis grade.

Well, a rose of any other name will smell as sweet; I cannot see any difference between the two. Now, if the statement made by the hon. gentleman be correct—and I am not going to dispute it—then the difference between the price that the farmer should have got, and what he actually did get, must have been tolled by the grain dealers in Winnipeg. The Grain Growers' Grain Company is one of the greatest of these dealers, and there is ground for investigation right there. No doubt, if the shareholders of that company in this House will use their good offices with the company, they can get the matter set right. Failing that, I would suggest that the Government look into the matter, either through the Grain Commission by enlarging their powers, or by a special commission to be appointed. There was no reason why the farmer should sell to the dealer at a low price when the dealer sells to the public at a high price.

It is generally conceded, I believe, that when this war is over, and probably before that, such trade relations may be made—and will be made—with the Mother Country as will make it not very desirable to have free trade in wheat between Canada and the United States. A week or ten days ago I read a press despatch quoting an editorial in the London Spectator which, I believe, has always been a staunch free-trade paper.

In that editorial fault was found with the proposed legislation of the British Government in the matter of duties. The Spectator advocated an ad valorem duty of ten per cent on all imports into England, and a rebate of five per cent to the British colonies. Even with a provision of that kind in operation, free wheat would have very little attraction, and would not be as desirable as some people think it would be at the present time. I repeat that it is our duty as a part of the British Empire so to conserve our own resources that they shall be readily available for the Mother Country and her Allies during the continuance of the war. For that reason, and the other reasons that I have mentioned, I consider it my duty to vote against the motion of the hon. member for Assiniboia.

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Speaker, this is not by any means merely a western question; it is as wide as the Dominion of Canada. The farmers who ask for this legislation are not desirous of obtaining privileges or favours; they do not ask for legislation that will enable them to take advantage of any other part of the community. They simply ask the privilege of trading with their neighbours to the south: of exporting a commodity which they cannot otherwise sell.

The Minister of Finance told us in his Budget speech that it was desirable to increase the exports of the country. The Government are expending large sums of money in establishing commercial agencies in different parts of the world, and in subsidizing steamship services to enable us to trade with distant countries; yet they refuse to extend to the farmers of Western Canada the privilege of trading with their nearest neighbours. The hon. Minister said that if the legislation asked by this resolution went into effect the price of wheat in the United States would drop to the price in Winnipeg; and therefore we would not ship any to the United States. Then he argued that the exportation of wheat to the United States would injure our transportation lines and the business of our Atlantic ports. He stated also that if legislation of this kind were enacted, the milling industries of Canada would be seriously injured, perhaps destroyed. Then

he quoted approvingly a New York journal which stated that if this legislation went into effect the beneficiaries would be the Canadian and American millers. I cannot quite understand how the proposed legislation could do all these things. The essential weaknesses of the Government's position appear to me to be revealed by the arguments of the Finance Minister and the Minister of Public Works on this question.

The resolution asks for the removal of the duty on wheat and wheat products. The duty on flour is sixty cents a barrel. I believe that the annual consumption of wheat in Canada is about 50,000,000 bushels, which would mean about 10,000,000 barrels of flour. The millers of Canada sell their flour in Liverpool from fifty to seventy-five cents a barrel cheaper than they sell it in Canada; the consumers are obliged to pay the millers of Canada from $6,000,000 to $8,000,000 in excess of a fair profit—as I presume they have a fair profit on what they export. The Minister of Public Works said this afternoon that the millers have exported 3,500,000 barrels of flour, meeting the competition of the world—of the American millers and of those of the Argentine Republic—but they cannot meet competition in Canada. The consumers of Canada, I say, have to pay from fifty to sixty cents a barrel more for flour, or from $6,000,000 to $8,000,000 a year, than they would if this competition existed. Should that condition be allowed to exist? I understand that with the western farmer it is a question not so much of the price he gets, as of the necessity for his selling his wheat at any price. In order to have a steady market it is important to have a large market. It is feared that tens of millions of bushels of wheat will rot in the fields of Western Canada if no market is found for it while the people of Eastern Canada are paying abnormally high prices for flour. Is that a condition of things that ought to exist in Canada? Is that a condition of things that the Government are unable to grapple with? The wholesale price of flour in Canada to-day is very high; in Montreal it is about $7 a barrel. By the time the flour reaches the consumer, the price is $7.60 or $7.75 a barrel, which is an unusually high figure. The retail price of second grade flour by the time it reaches the Maritime Provinces is about $7.50 a barrel; yet in the western part of Canada there is danger that when the warm weather comes large quantities of wheat will rot in the fields. Surely the Government can grapple with this condition.

The Minister of Finance said the other day—to me it was a strange statement—that even though such legislation as this should result in advantage to the Canadian farmers, that advantage might not continue; therefore he would vote against the resolution. That is to say, we should not trade profitably to-day lest we may not be able to trade profitably to-morrow. We would never make any trade at all if we acted that way. No business man acts that way, the Minister of Finance himself would not act that way in connection with his own business.

Speaking on this subject the other day, the Minister of Finance referred to the matter of potatoes, in which people of my province, and of other provinces of Canada as well, are deeply interested. He opposed the removal of the duty on American potatoes because it would be no advantage to us. He read tables to show that in 1914-15 the price of potatoes in Sydney and Halifax was higher than in the United States. And do you know what the Finance Minister did? He quoted the retail price of potatoes in these two cities of Sydney and Halifax, and compared it with the price the farmers received in the United States, which was even less than the wholesale price—and he built an argument on a statement of that kind, and he told us he was viewing the matter in a calm and judicial spirit. I wonder what kind of a statement he would make if he were considering it from a political point of view. Then, too, he quoted prices in Canada last year, when it is well known to everybody that we had a crop failure in potatoes, and the price was abnormally high. Very rarely do we have such a failure in the potato crop in this country, perhaps not once in twenty years. But we had that unusual condition of things last year; the crop failed all over Eastern Canada. If we could get potatoes from the United States this year the consumers of Canada would bring in potatoes from the United States which would be a great advantage to us. The Government has power by Order in Council to remove the duty or to suspend it temporarily. If they will not remove it permanently at least they should remove it temporarily this year. We had an exceptional condition of things in Prince Edward Island. As I have said, our crop there was a failure to such an extent that the farmers will

find it very difficult to obtain potatoes for seed this year. Last year, when a similar condition prevailed in Western Canada the Government very properly came to the rescue of the farmers and provided, or assisted in providing, seed wheat. I would strongly urge the Government to take into consideration the conditions in Prince Edward Island, and to see if they cannot assist the farmers there in obtaining seed potatoes this year, because if something along that line is not done, if neither the provincial nor the Dominion Government take the question up, it is very doubtful if the farmers will be able to obtain seed potatoes, and some of the ground will be left unseeded. So I would strongly urge that under these conditions the Government should seriously consider at least the suspension of the duty on American potatoes, if they will not remove it permanently. There is no doubt that the American market for potatoes would be of great advantage to us if we could get it. The Reciprocity agreement gave us a monopoly of the American market in posatoes, but we turned it down. When President Wilson took office and the Underwood Tariff came into operation, it reduced the duty on potatoes to every country in the world. The consequence was that large quantities of potatoes began to come in from Europe, from Great Britain and Germany, and the American people became alarmed lest the dreadful disease known as canker, which is prevalent in Europe, might be introduced. They held a convention at Washington to take the matter into consideration, and the Canadian Department of Agriculture sent Dr. G. Güssow down there to tell them that Canadian potatoes were diseased and ought to be excluded. Men were sent by this Government to Prince Edward Island in 1912, with the title of professors or scientists attached to their names, and the object was to find disease in the potatoes to sustain the action of the Government in making such representations to the American people, and of course they found the disease. I shall simply point out to the House the way those gentlemen acted. Two of those men in 1912 went to the cellar of a farmer, Robert Stewart, of Brudenell, a potato grower. They found disease in his potatoes and they advised him that he must not under any consideration use those potatoes for seed. He paid no attention to what they said, he knew that his potatoes were not diseased, but were the same as they had been for forty years, and so he planted those same potatoes for two successive years. Two other professors came along last autumn and gave him a clean bill of health. His was the only farm in the neighbourhood that had no diseased potatoes. Disease was found in our potatoes because gentlemen were sent there to find it, and representations of that kind were made to the American Government. The Minister of Agriculture became alarmed and he and Dr. Güssow have since been trying to prove to the American Government that there is no disease, or that it is of very harmless character. But the consequence is that an embargo was put on Canadian potatoes which prevents us having access to the United States market, and we have to thank the Canadian Government for it.

Under these conditions I say that there is no reason in the world why this motion should not carry. The western farmers are not asking favours; if they came here asking favours, probably they would be better received. They are asking simply to be allowed to increase the exports of the country, asking to be allowed to sell their surplus products wherever they can find a market for them. I repeat they are not asking for any favours or privileges, not asking for legislation to enable them to put any burden upon any other class of the community; and yet they are denied, they are turned down. The Government has set up the idol of protection and will not touch it—everybody must bow down and worship it. It is a serious condition of affairs when a Government will not listen to an argument of that kind, when the Government's position has to be supported by such self-contradictory arguments as the Minister of Finance made the other day. The Minister of Finance is an able man, and if he had a good cause he would not have had to make arguments of that kind. This shows the essential weakness of the Government's position in this matter. But they do not seem to be open to reason or to argument, and I suppose the farmers will have to put up with the consequences of the disadvantages under which they are labouring at the present time. I make these representations to the Government in all earnestness, and I think they ought to receive consideration.

Mr. H. BOULAY (Rimouski): (Translation.) I had not intended to take part in this debate, but as our friends opposite keep harping on this question of free wheat,

I take it to be my duty to express thereon a few ideas. Enough days and weeks have been spent on the subject during the last five years, that the discussion in my opinion, ought to be considered closed.

All the points of the question have been sifted again and again and all its aspects scrutinized, and from all the twaddle what stands out clear to me is that the western members are using the question as an electoral war-horse. They take it up as a good means of boosting their case and ensuring their re-election.

A while ago one of the western members attacked the Government for not giving the farmers all the help they were entitled to. Yet, if any people should grumble against want of solicitude on the part of the Government, surely not those farmers. Every time they are the victims of some slight mishap, a drought or a frost, they appeal to the Government and immediately millions of dollars are put at their disposal to enable them to tide over the crisis. Our eastern farmers have not the same recourse. If the harvest is bad, or they suffer from frost, they have to shift for themselves without any one coming to their aid. Of all farmers who have no reason to grumble, those of the prairies are first, for the Government is lavish in its favours to them.

The same orator complains that agricultural implements were not allowed to be imported free of duty from the United States, he claims the tariff in that respect is detrimental to them, and in support of his contention he maintains that the higher price paid for the same machinery in Canada than obtains across the border is disadvantageous to the farmer, that it is in fact money taken from the purse of the farmer and given to the manufacturer. So be it, but, in my opinion, when the hon. member further stated that only the manufacturers reap the benefit of the tariff, he is clearly mistaken. The workmen also find it to be their benefit. It must not be forgotten that in those manufactories are to be found workmen to whom the tariff is a benefit in the form of employment. Granted even that an article be something higher in price in Canada than it is in the United States, it seems to me that if the western people were good patriots, they would not begrudge this slight sacrifice to allow Canadian workmen to find his sustenance in this, our common country. After all we are not an agglomeration of two or three Canadas, but we form an entity destined to live as a whole in this country, and no section ought to be indifferent to the necessities of another section.

There is another subject I would call to the attention of my hon. friend from the West. We have, out of the public treasury, built for their use, at fabulous cost, three railways, designed to move their harvest and bring their produce to the Canadian harbours to be thence shipped overseas.

We are now building also, at their request, a request made to the late Administration and repeatedly pressed upon the present Government,—a burdensome railway, the Hudson Bay railway, to afford them a shorter route to the European markets. I would like to know the bottom reason for those railroad constructions. Why are we wasting so much money on the Hudson Bay road—built only for the benefit of our western countrymen, since neither Ontario nor Quebec nor the Maritime Provinces can utilize it; why waste so many millions for those western farmers, if those gentlemen are bent on dealing on the American market? Is that fair? Let them insist with the Government that a stop be put to that useless expenditure on the Hudson Bay railway. It might be after all to the country's advantage to abandon those undertakings and allow the western people freedom of trade with the United States. One of the previous orators stated that in the West the farmer made no money. It appears to me there is not much patriotism in coming here to make such a declaration. If in the West the farmers do not make money, why then ask so much for colonization, why all this propaganda to draw settlers to a region where results are so deceptive?

I, however, have it in my mind that the farmers of the West coin money much more freely than in the East. Had I spoken in the stead of the hon. member I should certainly not have delivered myself of such a remark, because it is not in the interest of his province. We all know that for the most part the western agriculturists are well-to-do and that many of them become rich with much less pains than our eastern farmers.

Such are the few remarks I wished to make. I make them without acrimony and in the best possible intention, so that our friends from the West may realize that they should not be parties to these unhealthy agitations, that they are not the only inhabitants of this country, but that on the contrary, they have to live in close community with the other parts of Canada, and

that their first thought should be the general interests of the country, and not those of a particular section.

Mr. LEVI THOMSON (Qu'Appelle): Mr. Speaker, I have followed this debate very closely. The Minister of Finance and the hon. Minister of Public Works appeared to be under the impression that what we lack in the West is information, and they undertook to supply us with information. But from what I heard and have read of their speeches, there is not a bit of information in them; their statements are as stale as yesterday, or as a year ago yesterday. If they would just take the trouble to attend some of the western grain conventions they would learn something. I know that my hon. friend the Minister of Public Works would learn more there in five minutes than he could ever learn from his study of the speeches of the Minister of Finance. The men in the West know their subject from top to bottom, and all I can say is that, if these hon. ministers have given us all the knowledge they possess on the subject, they know very little about it. The men whom they undertake to inform could give them lots of information which I think would be useful to them if they would heed it, but the trouble is that they do not want to listen to the western farmers; their desire is to know what the protected interests want; it is in these they are interested.

I desire to refer to one remark made by the hon. member for Macdonald (Mr. Morrison) in what I believe was his maiden speech. He said that we should hold this grain for Great Britain and our Allies. Is there any necessity for that? I expected some such argument would be sprung by some one; it is along the lines of some of the arguments, or what we call arguments, advanced by the hon. Minister of Public Works. But apparently even he thought little of it, and shifted it to the shoulders of his friend from Macdonald. Supposing we shipped 50,000,000 bushels of wheat to the United States, would they not ship a corresponding amount of grain to the Allies and Great Britain? I do not think it can be denied that the Allies would not get a bushel less.

Mr. MORRISON: I desire to correct the hon. member. What I said was that no man could tell when the United States might be involved in war, and if the resolution before the House were passed, and several millions of bushels found their way into the United States with the United States at war, that grain might cease to be available for Great Britain and her Allies.

Mr. THOMSON: Does my hon. friend think that there is a probability of the United States entering the war on the side of Germany? If the United States enters the war it is much more likely to be on the side of Britain and her Allies, and if the United States became one of Britain's Allies, it would supply her, for the United States would be exactly in the same position as the other Allies. I do not think I need go any further into that argument.

We have had something suggested about possible British preference. This possibility of a British preference has been dangled before our eyes ever since I entered this House, and probably for ten years before that. This preference has always been just coming, and we have always been told that we must pass legislation with that in view. My opinion is entirely different in regard to that. When we are passing legislation in this House, we must pass it with a view to the circumstances that at present exist. If there should be a complete change in those circumstances, then we would consider the question of amending or changing our legislation. If circumstances should arise which would make it injudicious for Canada to have free entry for her wheat into the United States, we could easily repeal the enactment. We have been told over and over again that this is not a permanent policy. It is objectionable to hon. members opposite because it is not permanent, and it is also objectionable to them because it is permanent. They want to have it both ways, and they can only have it one way. The Minister of Public Works was a little rash to-day, I think. He tried to answer a question which was put to him by the hon. member for Dauphin, and which was also put to the Prime Minister and to the Minister of Finance, but which they did not answer. In my opinion, they were wise in not answering. But my hon. friend the Minister of Public Works was not so wise, and he told us, at least by inference, that it was more loyal to put money into the pockets of the manufacturers of Canada than into the revenue of the country. I disagree with my hon. friend, but I will leave it at that. I do not think he will find many people in Canada to agree with him.

As I have said, I listened with care, and have read with care the speeches of the

two ministers who have spoken on the question. I am sorry to say that I am not disposed to consider very seriously the speech of the Minister of Public Works, because I do not think he gave his speech to us seriously; I do not think he was serious for a moment. We were told by the Conservative papers in the West that the minister was working day and night trying to get his colleagues to accede to this proposal of free wheat.

Mr. ROGERS: I do not think so.

Mr. THOMSON: My hon. friend claims to be an expert in winning elections, but apparently he is not an expert in winning his colleagues over. He has been a dead failure, so far as free wheat is concerned. We were told that when he went out West he had an open mind on the subject, but he came back to Ottawa and apparently read an old speech of the Minister of Trade and Commerce which closed his mind, and then he heard the speech of the Minister of Finance the other day, and that put the locks and bars on it. He has no opinion of his own. He may win elections, but he cannot carry his colleagues with him. They make a perfect tool of him—perhaps I should not say perfect, because I think he is a very imperfect one. I am always disposed, however, to take the Minister of Finance seriously, and I think most members of the House are. I read his argument very carefully, and I desire to make some brief references to it. I understand it is desired to take the vote to-night, and therefore I shall be as brief as possible, though I shall have to leave out some of the matters to which I intended to refer. The Minister of Finance acknowledged that the corresponding prices in the United States market are, on an average, better than our own. I gather that he is willing to admit that there might be some slight advantage to us in the matter of prices, but apparently he thinks that the disadvantages would be so great that it would not be wise to accede to our request. Before I leave the Minister of Public Works I should like to call attention to this remark in his speech:

> I am sure that no hon. member in this House would say that the provision in the Underwood tariff giving us free access to the American market, on certain conditions, was made for the purpose of giving the Canadian producer of western Canada any special advantage.

I quite agree with that, but my hon. friend falls into the error which many people fall into, who think that if there is any advantage to the other man there must be a disadvantage to them, and that if somebody else loses they must gain. If I want to buy anything I want to buy in such a way that both the buyer and the seller will gain, and if I want to sell I try to sell in such a way that both the seller and the purchaser will gain. I would not regard myself as a good citizen if I did otherwise. The same thing is true in regard to nations. He goes on to say:

> It, therefore, becomes our special duty to give this question most earnest and careful consideration, in order to ascertain whether there is justification for the statement that the acceptance of this proposal would carry with it advantages to the farming community and to the people of Canada generally.

That is very grand, but I am very sorry that my hon. friend departed entirely from that high plane which he had set up for himself during his speech. He did not follow the principle that he was laying down. I do not think that he, himself, imagines that he did. While the Minister of Finance was disposed to admit that there will be some gain to the Canadian farmer in the matter of price, he wanted to ease off that admission as far as he could and he carefully hand-picked some quotations as to the relative prices of grain and, after hand-picking them, he carefully avoided any reference to cash prices. All his references were to futures. I am glad to see that the Minister of Finance is now in his place because I want to bring this matter to his attention. I say that after hand-picking quotations he goes on to try and ease off his admission as to the difference in price between Canada and the United States and confines himself entirely to futures. The farmers of the West are not dealing in futures. I have grown and sold quite a number of bushels of wheat in my life but I have never sold or bought one future, and what I say of myself is true of almost all farmers of the West. A few of them deal in futures and in May delivery for speculation just the same as my hon. friend might speculate if he felt like it, but when he confined himself entirely to futures and ignores cash sales, he shows, what is true of the whole ministry, that he is not thinking of the farmers, but of the speculators. The speculators are the men whose interests they are looking after and not ours.

I am quite prepared to agree with my hon. friend on some things and one is that you cannot absolutely say what the effect of any special legislation will be. You cannot tell absolutely what the effect of

this proposed legislation will be. You cannot tell precisely and mathematically what the effect of any legislation will be. Let me offer you one illustration of that. This is for the purpose of stating a general principle although we cannot say that it is on all fours with the present case. Supposing my hon. friend had a water trough, a foot deep, a foot wide and perfectly level. He places sufficient water in one end to fill half of the trough one foot high; he places sufficient water in the other end to fill that half of the trough six inches high. You then get an argument in regard to the matter which would lead one to believe that in the opinion of these gentleman the water throughout the entire length of the trough would rise to 12 inches or drop to six. My hon. friend knows that neither of these things occur as a matter of fact. But he says that in trade matters this is the case and he chooses whichever side suits him; that is the trouble. While you can mathematically ascertain where the water will rise you cannot, as a matter of mathematics, tell exactly what the price of wheat will be if this legislation is passed, or what the absolute effect will be, but you can conform to general principles.

5 p.m.

Mr. WRIGHT: What would happen if both ends of the trough were equally full.

Mr. THOMSON: What does the hon. gentleman say?

Mr. WRIGHT: What would happen if both troughs were bulk full?

Mr. THOMSON: I am not talking about both troughs, but about one trough. If they were equally full, they would remain equally full, but I confess that I cannot see what the point of the hon. gentleman's question is. If my hon. friend will be kind enough to tell me I would be very much obliged to him.

Mr. BURNHAM: The hon. gentleman (Mr. Thomson) said that he could not do this thing mathematically and then he proceeded to demonstrate that he could.

Mr. THOMSON: Perhaps I do not speak plainly enough or perhaps my hon. friend has not been listening, because he would not have made that remark if he had been. I would advise him to read what I have said and pay a little attention to it, and use his brain power, of which he has enough. He has sufficient understanding to appreciate what I have said, and I do not think I need go over it again. However, I have sometimes said that we would feel rather offended if my hon. friend were in the House and he did not interrupt us in his good-natured way. We are always very much pleased to receive his interruptions, as they are invariably good natured. The Minister of Finance truly says that supply and demand rule this question. That is quite right. However, he proceeds, as plainly as he can, to contradict that afterwards. He says that the export price will govern the price. I do not know whether my hon. friend confines the meaning of export price to prices that we receive for grain shipped across the Atlantic. If he does he is entirely mistaken. If he means the whole of the export, wherever it is, he is right. I think my hon. friend will agree that the more outlets you have the better and the steadier your price will be. The law of supply and demand affects that. The better the demand there is for the amount of stuff we have to ship, the better and the steadier will be the price. My hon. friend apparently puts on his silk gown while he is in the midst of his argument. He does not mean to keep the farmer's togs on all the time; he becomes a lawyer, and he says a great deal to us about the necessity of telling the truth, the whole truth, and nothing but the truth, as we are required to do in the courts of law. I think that is a very good piece of advice to give us, but it would have been a very good piece of advice for himself to have taken. He should have applied that advice to himself before he began talking about the local demand in the way he did, and before he told us that the quotations he was giving had reference to the same grades. As a matter of fact, his remarks in regard to the local demand in the United States were entirely misleading. His remarks with reference to the same grade were also very misleading. He was comparing a grade of No. 1 Northern Canadian with a No. 1 Northern United States, and he said that these were the same grades. That is as much as to tell us that because one man is named White, and another man is named White, therefore it is the same man. Let me quote what the requirements are—I think this has been quoted in the House before—of No. 1 hard in Canada and No. 1 hard in Minneapolis:

Canadian No. 1 Manitoba Northern wheat shall be sound and well cleaned, weighing not less than 60 pounds to the bushel, and shall be composed of at least 60 per cent of hard red Fife wheat.

No. 1 Minneapolis spring wheat shall be dry, sound, sweet and clean, may consist of the hard and soft varieties of spring wheat and weigh not less than 57 pounds to the measured bushel.

My hon. friend would hardly claim that wheat which must weigh sixty pounds to the bushel, and contain sixty per cent of hard Red Fife, is of the same grade as wheat that requires to weigh only fifty-seven pounds to the bushel, and contains merely a percentage of hard wheat. I presume my hon. friend is well enough versed in the grades to know that the nearest comparison between Minneapolis and Fort William higher grades is No. 1 Hard Minneapolis and No. 2 Northern Fort William. Between those two grades there is very little difference, but the spread in price averages considerably over five cents a bushel. It is obviously unfair to compare No. 1 Minneapolis with No. 1 Fort William, and what is the use of my hon. friend lecturing us to tell the truth, the whole truth, and nothing but the truth, when he speaks of these two distinctly different grades as if they were exactly the same.

I think the House will agree that the hard wheat we grow in the West is the best in the world, but, it does not bring the best price in the British market. Why is that? I have heard the reason advanced that it is because we ship all our wheat over there at the one time. That reason is not sound, because on looking over reports of past years I find that the very same condition existed when we were not shipping wheat at all. Only one reason for this condition suggests itself to me: We are shipping more of our hard wheat than Great Britain requires, and we are glutting their market. If any hon. gentleman knows of any other reason I shall be glad to hear it, for I am anxious for information. At the same time, there is a tremendous demand in the United States for our hard wheat. We may take it for granted that the taste of Canadians and Americans demands a greater percentage of hard wheat than does the British taste. Canadian millers want nearly all hard wheat in their flour; British millers do not require nearly so large a percentage. It is quite plain from the grades that the United States is not producing anything like so good a quality of hard wheat as we are. The reason we have high grades in this country is because we have a high-grade wheat, and in the United States they have not these high grades, because their wheat is not of such a high quality. Their No. 1 hard has to contain only fifty per cent of hard wheat, and that not necessarily hard Red Fife; whereas our second grade No 1 Northern has to contain sixty per cent of hard Red Fife.

The Finance Minister has spoken of the demand in the United States for our wheat, as a local demand. I would tell him that that local demand extends over the whole of the United States. I have been told by gentlemen who have lived in the south that the bread they got there was not nearly so good as what they were used to in Canada. There was not enough hard wheat in the flour; the United States does not produce enough hard wheat to supply the demand, and they have to use soft wheat flour in making the bread. In one sense this demand in the United States is a local demand, as the Finance Minister says, because the United States is a locality; it is equally true that the European demand is a local demand, for Europe is also a locality. If the demand of the United States, with its 100,000,000 people, is a local demand, how much more of a local demand is the demand of Great Britain with its 45,000,000 people? If one is a local demand, surely the other is. American millers need our hard wheat to mix with their soft, and that is why free wheat and free wheat products would be a benefit to our farmers. The United States demand would increase the price to our farmers.

What would be the result if, instead of sending all our hard wheat to Britain, we sent a portion of it to the United States, and the United States sent to Great Britain the soft wheat which the British market requires? We should find that the British market would want our hard wheat. If you search back far enough in the English papers you will find that at one time Western Canada wheat commanded the highest price in the world, and I say that we should reach that point again if we limited our export of hard wheat to Britain. At the present time we are sending over far more than they require; we have glutted the market, and the price has dropped.

Just a word in regard to our milling friends. I think I speak for the western farmers when I say that we do not wish to injure the millers if it can be avoided. If legislation were passed that would prevent our milling friends from declaring fifty and sixty per cent dividend on their stock, watered and otherwise, and would allow us to get a little more than four or five per cent on the capital we have invested in the West, I do not think it would

be a bad thing for the country at all. Certainly the millers could stand it, according to their own figures. The Minister of Finance tells us that the United States has a milling capacity of 1,000,000 barrels a day, while Canada's capacity is 100,000 barrels a day, or just one-tenth the capacity of the United States. If that is so, we are better supplied with milling facilities per head of population than is the United States. The hon. gentleman will not claim that we have one-tenth of the population of the United States, and yet we have one-tenth of its milling power. That being so, why cannot our mills take care of themselves, especially when our millers pay less for wheat than the American millers pay and sell their flour at a higher price? That state of affairs, I may remark in passing, may account for our having more milling capacity according to population than the United States. But we are told that it would injure the milling industry of Canada to have such legislation passed as is proposed by this motion. The mills of Canada, in the financial year ending 31st March, 1914, exported flour to the value of a little over $20,500,000. That flour was sold in open competition with the mills of the United States and of the world. If our mills can compete in other countries with the mills of the United States, surely they can compete at home. In shipping abroad they have no freight advantages while in the home market they have. The amount of flour exported from Canada is increasing, being probably $25,000,000 or more this year, in addition to which they ship about $2,000,000 worth of bran. That does not look as if the Canadian mills could not compete either in flour or in bran with the mills of the United States.

The Minister of Finance makes a great deal of the point that this proposed legislation would lack permanency. Can the hon. gentleman point to any legislation that is permanent? Even the British North America Act, the most permanent of our laws, has been amended, and we are now seeking to amend it again. You cannot have democracy and have permanency of legislation, for the people must always have the right to change their laws. The hon. gentleman said that the Canadian millers could not export to the United States because there is no "permanency" in the legislation. Well, would not that apply the other way just as well? The argument of lack of "permanency" would operate against the American miller exporting to Canada, just as it would operate against our millers exporting to the United States. It is quite true, as the hon. minister has said, that in this matter we depend upon the legislation of another country, but that is true of every country in the world that makes a trade treaty. What guarantee have we that the French people will not put an end to the trade treaty between that country and our own?

Mr. MICHAEL CLARK: And there is the treaty with the West Indies.

Mr. LEMIEUX: And the treaty with Japan.

Mr. THOMSON: Yes, they are all in the same category. Now, there is one other matter that I wish to emphasize, though it has been called attention to by other speakers, and that is that we farmers of the West are not asking any favours. We want no advantage over any other producers on earth. We believe that we can compete with the American farmers or any other farmers. We believe that we have the land and that we have the men. I could not say that we desired to avoid competition without saying either that we had not the land or that we had not the men, but I am not prepared to admit that the United States has any better farmers or any better land than ours. We simply ask for an opportunity to market our products wherever we can find a satisfactory and profitable trade. If the American farmer can come across and undersell us, let him do so. If he can undersell us in oats or in anything else, let him do so. All we ask is a fair field and no favour. Quotations have been made from newspapers intended to prove that probably there would be no advantage to the Canadian farmers in the arrangement that we are asking for. But these same newspapers, in 1911, told us that there could be no advantage in selling our live-stock free of duty in the United States. I recall particularly the case of one newspaper published in western Canada.

That paper had fought tooth and nail against reciprocity, its chief argument being that we could not possibly get any advantage from reciprocity so far as live stock was concerned. One year after the Underwood tariff came into effect that same paper admitted that we were getting two cents a pound more for every head of cattle that we were selling. Certainly they overstated the figure, but it is

a fact that there was a substantial increase.

We are asking for no favours; give us fair play, and nothing more. Give us a chance to deal freely and openly in the markets of the world. If legislation of this kind is passed, benefit will accrue not only to the farmers of the West, but to the consumers in the East as well—to every man who wants to buy a pound of flour. It is admitted by all that the price of flour is lower in the United States than it is in Canada. The reason why objection is made to free wheat is that the Canadian miller would have to sell his flour cheaper in Canada than he has been selling it in the past. What would be the effect of that? Every labouring man in Canada would get his flour cheaper, his bread cheaper, his living cheaper. Is that not worth while?

Mr W. F. MACLEAN (South York): It is my intention to occupy the House only a few minutes, as I understand that a vote is to be taken at six o'clock. Our greatest poet has said that "nice customs curtsey to great kings." Among the nice customs may be included the tariff custom, and the great king to which the tariff custom must curtsy is democracy. The democracy of the Canadian West to-day is demanding free wheat. I have followed the discussion of this subject closely for many years; I have read the papers of the West; I have heard speeches; I have read the proceedings of all the farmers' conventions. The demand in the West now, as I see it, is that the people there shall have a wider market for their wheat. Surely if they have not now a market sufficiently wide this Parliament, representing the Canadian people, should not prevent the accruing of that benefit to the agricultural population of the country, especially the West. They simply ask for an opportunity to sell their surplus wheat in every possible market. Their doing this would not be against the interests of Canada; it would make these people richer and increase their ability to buy Canada's products, because they would sell their wheat at better prices than they get now. I believe in a national policy for Canada; I have in my time made some sacrifices in the matter of national policy. The argument that was made by the Minister of Public Works this afternoon was a first class argument in many respects. The hon. gentleman said that he wanted to maintain the National Policy. But do we go to the United States to maintain our National Policy? The United States could destroy the whole structure of that policy as it was outlined this afternoon if they saw fit to withdraw the duty which they now impose upon our wheat. The probability is that the Democratic party, soon to go to the country in a presidential election, will have in their party platform a proposal to abolish the duty on wheat. If they do this where will our national policy go then? We have got to have a national policy that will preserve traffic for our Canadian railways, if possible; we have got to have a national policy for our millers. But if we are consistent national policy men we ought to work that policy out by depending not upon the temporary or incidental legislation of the United States, but upon our own legislation. The British market, which we now have, is a good market. If we want to help the millers why not adopt the principle of the National Policy in regard to, say, a bounty on production, or, better still, by nationalizing our railways, transportation lines, ocean steamship services? Then we should be able to keep the British market, and hold it against any competition. The United States for the time being has put a tariff on wheat coming from Canada. They may take that duty off, and we can do nothing to keep that market for ourselves. After studying this question as well as I could, I have come to the conclusion that we should not resist the voice of the people of the West when they ask for the right to sell their wheat in every possible market. We will make them better farmers, and we will make them better consumers of Canadian goods if we keep them in good temper, and give them an opportunity of making more money than they are making to-day

The impression that I gained after a comparison of prices was that, on the whole, the price of wheat in the United States has been better than the price in Canada, and that the millers of Canada have at times not given as much as they could have given for Canadian wheat if the Canadian farmers had been able to sell in other markets. I have no prejudices in this matter; I have tried to consider it carefully, and that is the impression that has been made upon me. If we wish to make the West prosperous and contented, we ought to give the farmers of that country the benefit of free wheat. The West must be made to stand on its own feet, and you will never get it to do that if you restrict its freedom in the matter of selling a great product of which it has a large surplus. If there were any national reason why we

should prevent our own people from getting the largest possible returns from the sale of their wheat, I should not be prepared to support the motion. But I can see no national reason why we should restrict the Canadian farmer in the marketing of his great surplus of wheat.

As to the millers, I have this to say—the Minister of Finance is now proposing a tax on the profits of the business community of Canada in order to help pay for this great war, and the millers will have to pay a large share of that tax. The millers have been most successful in their industry. As between the miller and the farmer, it cannot be said that the miller has not had the best of it. As between the Canadian Pacific Railway and the Canadian West, it cannot be said that the farmer has had the best of it. The railways and the millers have had the best of it so far, and the Canadian farmers in the West are seeking some relief, some betterment of their condition. We may not even now be able to give them that relief, because, no matter what we may do, the United States may put up the duty against us. Of a certainty I see no relief in that direction. But there is an opportunity to improve the conditions by taking advantage of legislation that already exists on the statute book of the United States. Looking at the matter in the calmest possible way, after having studied all the circumstances connected with it, I have reached the conclusion that it is not along the lines of national policy that we should restrict the farmers of our West in their getting the best possible price for their grain. On the contrary, we ought to help them get the best possible price for their grain, and try to make the West not only a great grain growing country, but a great mixed farming country as well. Give the West an opportunity to work out its own salvation, and do not encourage it in nursing grievances. If we wish to improve the condition of our railways and our millers, we should do as I thought this House intended to do; as I thought the Conservative party intended to do two or three years ago—remove these grievances, the expression of which has been found in the House, in the press, on platforms in every direction. The sooner we get rid of the grievances, and give the farmers of the West what they ask for, the better it will be for the progress and development of the country.

Hon. ARTHUR MEIGHEN (Solicitor General): There are only a few minutes left within which, according to the arrangement made to bring this subject to a vote before six o'clock, to express my view upon the motion. One would indeed be blind who came from the Canadian West and failed to realize the scope of this subject and the place it occupies in the minds of the people of the three Prairie Provinces. The matter arose as a political question some five years ago; I do not think its origin antedates that time. It formed part of the great reciprocity issue of 1911, and as such the people of Canada passed upon it.

Since that time it would be idle to contend that it has been eliminated from the political horizon. It occupies its place there still and is a subject of political discussion, and is likely to be for some time. I respect the views of the men who have advocated the affirmative side of the resolution, including the hon. member for York (Mr. W. F. Maclean). I only note with reference to the speech of that hon. gentleman that while he established quite clearly that there was what might be called a political grievance, and while he, at all events, established his own conviction that the Conservative party as a party would make a stroke of political strategy to its advantage by removing this question out of the way, he said little or nothing that would even indicate that he was himself convinced that there was anything to the subject except what was of a political, and not of an economic character. I have always believed, and never more than now, that at least ninety per cent of this free wheat issue is purely political, while, for the other ten per cent, it is economically unsound. We on this side have been charged in this House, ever since I have been a member of it, and with increasing emphasis since we arrived in power, with being allied with big interests in this country, with being blind to the cause of the farming community and unresponsive to their cries. I must say the repetition with which this subject has been advanced has been so monotonous as to become almost nauseating; and to hear it now propounded with the same earnestness, apparently, as it was in years gone by, after the Budget proposals of this year, is to make one almost justified in charging insincerity against hon. gentlemen opposite. We hear it said by hon. gentlemen opposite in relation to this very subject: You listen to the cry of the manufacturers; you listen to the cry of the railroad; you listen to the cry of the am-

munition maker; but you never hear a word that the farmer utters; you arrange for cheap rates on ocean traffic for the shell manufacturer, but you never bother about the farmers' products in any way whatever. The hon. member for Assiniboia (Mr. Turriff), with just the same assurance and the same positiveness that he displayed in relation to every other phase of the subject, told us we had been instrumental in robbing the western farmer of thirty or forty million dollars because we had not reduced the high ocean freight rates. I am free to admit that we are as justly chargeable with taking thirty million dollars from him because of the high freight rates as we are chargeable with taking twelve and a half million from him by virtue of his not having access to this illusory American market. Thirty millions from him because of high freight rates! Have hon. gentlemen seen the freight rates charged to the exporter of farm products from the United States? I have them before me in the Northwest Miller. I do not know whether hon. gentlemen opposite concede that as an authority or not, but it is published by the millers of Minneapolis, who are persona grata with hon. gentlemen opposite, much more so than are the millers of Canada. The figures I have before me indicate that the American rates have averaged higher than the Canadian rates, and that the American farmer has had to pay at least the rates that we have had to pay. Through the efforts of this Government we were successful in arranging for the transport of supplies purchased by the British Government in vessels requisitioned by the British Government and placed in charge of one named by us. The history of that work and its success has been stated to the House by the Minister of Marine, and I do not know whether it is from his statement or from what, that hon. gentlemen have got the idea that we have been very partial in that regard to the manufacturer of shells. As a matter of well ascertained fact, over seventy-eight per cent of the goods that went on the vessels that were so secured and so requisitioned, were products of the farms of Canada. I have before me a letter from the director of transport, written to the Prime Minister of this country, and written, judging by its introductory words, because he had noted these extraordinary statements made earlier this session by the hon. member for Assiniboia. The director of transport says:

If, as I understand, Mr. Turriff alleges that the Government in its overseas arrangement has favoured the manufacturer to the disadvantage of the farmer then the answer is simple and may be found in the statement on file in the Naval Department showing weekly requirements of the War Office, (copy enclosed for easy reference) and also on page 2 of the memorandum attached to the recent Order in Council having reference to this department.

War Office requirements call for a movement of 35,900 tons per week, representing 2,282,000 cubic feet ocean space.

Of this total, 1,787,000 cubic feet is represented by the products of the farm (oats, hay and flour). The oats and wheat are grown in the West; and of the hay shipments over twenty thousand tons are now being compressed at Calgary for movement overseas. Of the balance, (495,000 cubic feet) 175,000 cubic feet is absorbed by ammunition, shells, forgings, etc., 40,000 by miscellaneous manufactures, and 280,000 by railway equipment.

In other words the available ocean cubic feet space is subdivided as follows:

	Per cent.
Products of the farm..	78·31
Railway equipment..	12·27
Munitions, shells, forgings, etc.	7·67
Miscellaneous..	1·75

Thus it will be seen that 7·67 per cent is the huge proportion of space secured on these vessels, requisitioned by the British Government at the request of the Government of Canada, for the accommodation of shells, etc.

Coming more directly to the free wheat and flour issue, I frankly admit, first of all, that it is a matter that concerns very vitally the farmers of the West. That is to say, they are very directly interested in it. It concerns what forms the major part of the product of their labour, and their investment. But I cannot agree, and I do not think any mind that is honest with itself can agree, that the question of whether or not free wheat and flour are made a fact by legislation of this country is a question that concerns the farmer alone. Although the wheat is the product of the farmer and of the farmer alone, flour is the product of the farmer and of the miller of this country; and in both products, wheat and flour, all our transportation interests have also a very vital concern. Were I to limit the interest in this question to those directly and indirectly concerned with transportation, with milling, and with farming, I should be too confined in my reference. The whole people of Canada are concerned, and concerned vitally, with the question of whether or not we place wheat and flour on the free list. Everybody has an interest in it, because it goes to the very root of the trend of our legislation; and if we take this step, then there

are other steps with which we must logically follow, and if we take those steps then we turn in the direction we were forbidden to turn by the electorate of this country in 1910. I have seen it argued in print and heard it argued on the platform for years, just in the language repeated in this debate by the hon. members for Assiniboia, and Dauphin, and others, that this is a farmers' question, that the farmers ought to know what they should do and where to market their goods; that their decision should be final, and that no one else has any concern in the question. I do not believe the farmers themselves take that ground; I think they are broader-minded than their spokesmen, or alleged spokesmen, in this House. They know that others are interested in it as well as they; they know that the whole people of this country are interested in it. Oh, says the hon. member for Edmonton (Mr. Oliver), if another class of men who are manufacturing goods come to the Government and say it is necessary for us —we are unanimous upon it—that you should put so and so in the tariff, the Government will do so. Does the hon. gentleman believe such a proposition as that? Why, if we followed the manufacturer of almost any line of goods in this country, I am afraid the tariff in respect to that line of goods would go up, but when any class of manufacturers, or any class of interests of any kind come to the Government and say: we are the makers of certain goods, and we know what is best for us; we say to them: you are the makers of the goods and you have a direct interest, but the people of this country are also interested; and we have to decide out of regard to the public interest, and not out of regard to your interest alone.

That is the answer we give to the demand voiced in this House by the hon. member for Assiniboia (Mr. Turriff). I have not the time to pursue the whole course of prices, or to compare the prices to the north with the prices to the south, as has been done at considerable length during this debate. I have never denied, nor could any one who pretended to give any study to the subject, deny, that at many times there is a higher price, sometimes a materially higher price, for hard wheat in Minneapolis than there is on this side of the line. I do not think it can be successfully denied that the average price across the line maintains higher for hard wheat than it does on this side, but I believe that the average is very much below the figures given by hon. gentlemen opposite. I do not think that the figures which have been communicated by the officials on both sides of the line will support the figures given by hon. gentlemen opposite. The average may be a few cents higher; it varies from year to year, and according to conditions, and the question for us to inquire into is this: not what the conditions are now, which are fixed in the main by the trade affected by the tariff, but what the conditions would be if we legislated, as we are asked to legislate, and whether or not they would bring a greater return to the producers of this country and a greater benefit to the country as a whole. I want the House to understand this, because it is a fact uncontroverted, and hon. gentlemen know it, that while they quote grade for grade across the line with grade for grade here, they ought to tell the House that the grade quoted at Minneapolis and Duluth is always the highest price paid that day, while the grade quoted at Winnipeg or Fort William runs from the lowest to the highest. But it is the closing price which they compare with that of Minneapolis; consequently, in many cases the closing price may be lower than the Minneapolis, but the average price for the day may be higher than the Minneapolis price.

Then there is the sample market over there, and that sample market principle invades the grade principle as well. The result is that all their wheat of a certain grade does not sell for the same price; there will be a spread of five cents some day between the same class of No. 1 Northern and another class of No. 1 Northern. Similarly with No. 2 Northern. The higher prices quoted by hon. gentlemen opposite are figures covering many months, and they say that by not allowing free entry we are standing between the western farmer and the markets to the south. It is true that by reason of conditions which are not difficult to understand, if one sets about to study them, very often, and I think on the average, there has been a somewhat higher level of prices in Minneapolis than on this side of the line, but the outstanding conditions and facts are so clear that it must be manifest to any one who studies the question that those conditions are essentially local, and are essentially the result of circumstances that would be swept away if the tariff were swept away by legislation. If what the hon. member for Assiniboia says is correct, that affirmation of mine is not true, and if what the hon. member for

Edmonton says in support of the hon. member for Assiniboia is correct, it is not true. They say that the farmer in the West is crucified, because there is a combination of buyers and millers which crucifies him and holds the prices down, whereas the benevolent people to the south leave the prices at export level and pay actually what the wheat is worth. They say that there is a combination of millers and grain buyers united on one point, to grind down the poor farmer. The hon. member for Assiniboia says that our wheat is worth at home 7 or 8 cents less per bushel to the farmer than is the American wheat to the farmer of the United States in his markets, but that our wheat brings at the Liverpool market 7 or 8 cents more per bushel than does the American wheat on the Liverpool market. If that is the case, my hon. friend has produced a good deal of evidence that there is a combination at the bottom of this trouble. If it is the case that there is a combination of millers and buyers who pay less than the fair market price to the farmer, hon. gentlemen have produced an argument stronger than any I have ever read, in reams of Hansard. What is the fact? Who are the buyers in the western country? The buyers are the millers of the country, but far more so are they the grain dealers of the country, and the biggest grain dealer in the country is the Grain Growers' Grain Company which is a company formed into a corporate representative of the Grain Growers' Association, and which does their business for them. It is a company formed for commercial purposes, it is true, but the directors of that company would be the first to acknowledge that besides being a commercial organization they hold a trusteeship for their patrons in that country and for the farmers in that country generally. They were organized for the purpose, and they say so, of protecting the farmer against the extortions of the grain buyer. If what the hon. member for Edmonton says is correct, the Grain Growers' Grain Company is paying 7 and 8 cents per bushel less at home and getting 7 and 8 cents more at Liverpool than the farmer across the line. The Grain Growers' Grain Company are buyers and exporters both. The hon. member for Moosejaw (Mr. Knowles) contradicted me the other day on that point, and declared that the Grain Growers' Grain Company were not exporters, and he advised the Minister of Finance not to rely on anything I told him. Imagine an hon. member coming to this Parliament, and not knowing that the biggest grain buying concern in his country is also perhaps the biggest exporter.

Mr. KNOWLES: I did not say that; the Minister of Finance asked if it were true that the Grain Growers' Grain Company were exporters, and I said I knew they were not exporters, and I still think so, notwithstanding what the hon. gentleman says.

Mr. MEIGHEN: I wonder at the hon. gentleman. Does he still think the Grain Growers' Grain Company are not exporters?

Mr. KNOWLES: Yes.

An hon. MEMBER: What do they do with their wheat?

Mr. KNOWLES: Sell it in Canada.

Mr. MEIGHEN: I have the annual report of the company here. I am sorry it is getting near to six o'clock, otherwise I would read it in full. The annual report of the company shows that in order to conduct their export business they organized some years ago a company which is officered by themselves and the stock of which is owned by themselves, the Grain Growers' Export Company. It is run by themselves, and is reported in the annual statement of the Grain Growers' Grain Company.

Mr. KNOWLES: It is a different company.

Mr. MEIGHEN: It is a company owned by themselves, and formed to carry out that branch of their work. They not only export Canadian grain, but American grain. Last year they exported many times more bushels of American grain than of Canadian grain, and their profits on their export business last year were over half a million dollars and they say that they pay for the grade.

Let me impress upon this House that the Grain Growers' Association, through the Grain Growers' Grain Company which they control, a company every dollar of whose stock is owned by farmers, a company I believe, well and ably managed, have the solution of the whole thing in their own hands. All they have to do is to pay the legitimate value of the wheat and if they do that, they will pay the western farmer not what they are paying to-day, not what the American farmer is getting, but ten cents a bushel more than the American farmer is getting. What about the

Saskatchewan Elevator Company buying last year over 15 per cent of the whole of the grain of Saskatchewan besides what the Grain Growers' Grain Company bought? What about the Alberta commercial organization? All these organizations are buying and are they in league with the millers? Are we asked, as a Parliament, to protect the Grain Growers' Association against themselves? Are they that class of people? I think not. I have not a word to say against the Grain Growers' Grain Company. They are more frank in their statements than are hon. gentlemen opposite. They come out squarely in their annual statement and say: we can scarcely make a dollar buying wheat in this country; we can hardly make anything out of our elevators in Manitoba because the competition of the millers is so keen that we have to pay more than the grain is worth to get it. That is what they say in their own annual statement published last autumn. They say that: the millers, because they can get No. 2 which is almost as good as No. 1 for their purposes, can pay more than we can for No. 2, and they complain that the millers of the West, at points where they compete with the Grain Growers' Grain Company, raise the price of No. 3 and No. 4 Northern up as high as No. 1 Northern and take the business out of their hands. Is that in accord with what we hear in this House? I believe that company is well managed and I do not believe it is mulcting the farmers of the West. If I did believe that I could agree with the allegations of hon. gentlemen opposite, I would say that there would be a case for free wheat or for a remedy that would bring about the same result because this Parliament could never do its duty to the people of Canada and allow the western farmer to lose from 5 to 15 cents a bushel on his wheat.

Mr. KNOWLES: Would the hon. gentleman explain how the Grain Growers' Grain Company, which, I understand, has never exported more than 20,000,000 bushels, could control the price on an export of 200,000,000 bushels?

Mr. MEIGHEN: Not more than 20,000,000? What I have to complain about with regard to hon. gentlemen opposite is that their understanding is not up to date. If the hon. gentleman will get the report—

Mr. KNOWLES: I take the president's statement.

[Mr. Meighen.]

Mr. MEIGHEN: Last year they exported 38,000,000 and 39,000,000 bushels of American wheat alone.

Mr. KNOWLES: That has nothing to do with our problem.

Mr. MEIGHEN: Mr. Speaker—

Mr. KNOWLES: Will the hon. gentleman allow me to ask him another question?

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: Order.

Mr. KNOWLES: The hon. gentleman can say whether he will allow me or not.

Mr. MEIGHEN: Certainly.

Mr. KNOWLES: What has the question whether they have exported American wheat or not to do with our problem?

Mr. MEIGHEN: I will tell the hon. gentleman in a minute what it has to do with our problem. It shows that they could control it, and were able to get a fair value for the farmer in connection with such export business. It shows that they are able to make even more money exporting American wheat than Canadian wheat because their margin of profit is less on Canadian wheat. The paid-up capital of this company last year was $867,000 and its profits were $226,963, or 27 per cent. I am not complaining of that profit because so far as I know it was legitimately made, and all I have to say to the Grain Growers' Association, and to the Grain Growers' Grain Company is: go ahead, continue the good work as long as you can, because you have solved the problem of the western farmer.

They say that the millers are making colossal profits, that we would get our flour cheaper if you would only open the doors and let down the tariff on flour. Let me deal with that just for a moment. I took the trouble to collect the quotations for flour at corresponding points in the United States and Canada. It would not be doing any injustice if I said that the quotations for the same brand of flour are practically the same, but the average for every month—and I did not take any hand-picked figures, but I took the figures from all over the country—was 10 to 15 cents

6 p.m. higher in the United States than in Canada, and it was about 16 cents higher in January, 1916, in the United States than in Canada. I have these

figures before me and I would rejoice if I had a few minutes to quote them.

Yet, hon. gentlemen opposite say: Let down the tariff and we will get our flour cheaper. We will not get it cheaper because the price is higher there than it is here. But in addition to that, the price at which the miller can sell his flour depends in the main upon the quantity of flour he can turn out. If you turn out a huge quantity, you will be able to turn it out at a lower price per unit, and if we so change our fiscal arrangements as to make it impossible for the Canadian miller to turn out the product that he is turning out to-day, you will see the price of flour go up in this country.

The late Government recognized that fact. Why did the late Government, in arranging their reciprocity proposals, insist that 50 cents a barrel be retained on flour? Was there any reason in the world except this, that the miller could not stand it? I do not mean the big miller necessarily. We have 543 flour millers in this country, 303 flour millers in Ontario alone. The big millers are able to stand competition much better than the smaller ones, but is there a man who would feel that he would be doing his duty as a member of this House who would vote for legislation which would be unfair to 303 small millers in Ontario? They pay duty on almost every article they use, they are bound to pay according to the policy of this country, accepted on both sides, and while they are bound to do that, are they entitled to some fair measure of protection or are they not? The hon. member for Edmonton (Mr. Oliver) says they are. He is on record in this House as saying that they are so entitled as a matter of justice. Let me quote what the hon. member for Edmonton says, as reported at page 916 of Hansard:

> Then there is no reason why the Canadian milling industry should require an extraordinary measure of protection at the hands of this Government.

I agree with that statement.

> It is entitled, no doubt, to whatever measure of protection would naturally fall to it under a revenue tariff: I would not suggest at all that it should not have the benefit of that measure of protection.

If they are entitled in justice to a measure of protection, then upon what principle of reasoning are you going to take it from them? Is it because they are in the minority, is it because they have not as many votes at their disposal as another class? Will the hon. member for Rouville (Mr. Lemieux) subscribe to the doctrine that because you have fewer people on one side than on another, it is the duty of the Government to do an injustice to the minority? The hon. member for Edmonton says that in justice they are entitled to a measure of protection, but because the interests of the millers and the farmers are not the same you shall do what the farmers say and do an injustice to this other class. I cannot subscribe to that doctrine. I do not believe that it would be fair or just to the small millers of this country to take the duty off flour entirely. I believe they are interested in this, I believe that the farmers are interested in it, I believe the people of every part of Canada are interested in it, and I believe that under the conditions that exist to-day, if we have free flour these millers, all those dependent on them, and all in a similar position, could come to this Government and say: In the course you have taken, in removing the tariff from everything we have to sell, letting down the walls entirely between this country and every country in the world, you are reversing the verdict of the people in 1911. While on that subject the hon. member for Assiniboia stated that he did not believe that Mr. Lanigan had made the statement that he directed to me, denying his alleged interview to the effect that the Canadian Pacific Railway, or transportation interests in general would not suffer by the removal of the duty on wheat and flour. I had seen a quotation, said to be of some statement Mr. Lanigan had made in the Manitoba Free Press, and I thought that if that was the view of the Canadian Pacific Railway Company the people of this country were entitled to know it. I wrote and asked Mr. Lanigan if he had ever made a statement of that kind, and I have a reply here from him to the effect that he never made any such statement; that on the contrary the arguments that had been advanced in the Free Press by a Mr. McLeod of Brandon were falsely founded, and that in his view the Canadian people had decided the question of free wheat in 1911, and that the decision as given by them should stand. That is the position taken by him. I do not know that the transportation interests are to be impugned in this House because they have a view as to what is best for themselves. I am one of those who feel that the attitude Parliament should assume should be one dictated by national considerations, and by national considerations alone, and that

that parliament or that government is derelict to its duty which eliminates from those considerations any interests, however large or small, or that denies to any single one of those interests its proper say in the government and tariff arrangements of this country. That government does its duty which considers all, because when you injure one you injure another, and you injure all. Let me leave to the House this one consideration. All the avenues of industry and of activity in this country are open to every class of our community. We have no caste system in Canada; that is one of the ripe fruits of democracy that we enjoy and always will enjoy. There is no avenue to trade, or manufacture, or industry of any kind access to which is denied to the farmer, or to any others of our citizens. I am glad to see the movement of organized farmers in the West; I am glad to see the Grain Growers' Grain company become wealthy and prosper; I am glad to see it under able management, and I say to it, go on, invade all the fields that are open to you to invade: invade, first, those that are nearest to the field you occupy to-day; invade the milling industry of this country if you wish. That company is already dealing in merchanise to the extent of over $1,000,000 a year, over and above its grain trade entirely. I would say to that company: proceed further; you are big, and strong, and wealthy; go into the milling business; there is one industry in which the West can compete with the East under almost equal conditions; go into the milling industry; invade the field that is now monopolized, according to hon. gentlemen opposite, by the millers; you are able to do it; you have able men at your command; you have developed these men of recent years; go into that industry, and when you feel that that industry can get along with less duty than it has come to Parliament and you will then, indeed, have established a practical argument in favour of removing the duty. There is no caste system in this country; let this company, which is now in the grain trade, go into the milling industry. What do you think, Mr. Speaker, of one of their directors who uses the following language in the press with regard to the grain dealers of Canada:

> There is no good reason why the rest of Canada should suffer, so that the large mills and large dealers should enjoy a special privilege at the expense of the rest of the people.

Can the House believe me when I say that these words were uttered by a director of the Grain Growers Grain Company, the biggest dealer in western wheat that there is?

That is the attitude of hon. gentlemen opposite. They are in a position to control the grievance they complain of—if there is a grievance at all—and because they do not care to control it they come to Parliament and say: arrange your tariff so that the Grain Growers' Grain Company, which is a product of the Grain Growers' Association, shall not be able to defeat the object for which it exists. The Grain Growers' Guide, quoted by hon. gentlemen opposite, is a branch industry also of the Grain Growers' Grain Company, for I find that in their annual report, in detailing the success of the various enterprises they control, they deliver the result in connection with the Grain Growers' Guide. We have, then, the organ of the Grain Growers' Grain Company, or rather the paper that derives its financial sustenance at all events from that company, calling week in and week out to the Parliament of Canada to protect the farmers against the controlling company which controls themselves. That is a situation which ought to be known to House. If they have a grievance it is in their power to remedy it, and if they do not remedy it they cannot ask us to remedy, at the expense of somebody else, that which they have in their power to remedy without expense to anybody at all.

We are told that speculative conditions raise the prices on the American market above the Canadian level. That is true; but the reverse is also true. Speculative conditions sometimes raise the Canadian prices above the American prices. The hon. member for Assiniboia tells us that the United States needs our hard wheat; he says they need one bushel of our hard wheat in five—those were his own figures in Hansard—in order to make the highest grade of flour, and he leads the House to believe that they cannot get the wheat at their own doors. Is he aware that the states of North Dakota, South Dakota, and Minnesota produced, in 1912, over 200,000,000 bushels of hard wheat—260,000,000, I think, was the amount—is he aware that last year something over 156,000,000 bushels of hard wheat was produced right around Minneapolis; that the hard wheat produced right around Minneapolis far exceeds the soft wheat production; that the hard wheat production in the United States is over one-half the soft wheat production, and that of all the wheat available

for the Minneapolis mills by far the greater proportion is hard wheat. So far from having difficulty in getting one bushel in five, they can get three bushels in five right at their own doors. Consequently, speculative conditions, and speculative conditions only, dictate in the main the levels of these markets. Just as soon as you sweep the tariff away you kick the prop from under the premium that is paid in Minneapolis, and you do away with the conditions that put their prices above others; you eliminate everything that kept up their prices, and consequently their prices would fall. The hon. member knows that in September last, when rumours were sent out from Ottawa and circulated in the West that serious consideration was being given at Ottawa to the removal of the duty on wheat, down went the price at Minneapolis, and the gap of six or seven cents that existed before closed up. That is an illustration of what might logically be expected to occur; that is what actually did occur.

I have exceeded the hour for adjournment; I did not purpose to do so. I should like to pursue the subject further, but I am going to acquiesce in the decision of both sides of the House that the debate be closed now.

House divided on the motion of Mr. Turriff.

YEAS:

Messieurs:

Boivin,	Lanctot,
Bourassa,	Lapointe (Kamouraska),
Buchanan,	Laurier (Sir Wilfrid),
Bureau,	Loggie,
Cardin,	Maclean (York, O.),
Carroll,	MacNutt,
Cash,	McCoig,
Charlton,	McCraney,
Clark (Red Deer),	McKenzie,
Copp,	Marcil (Bonaventure),
Cruise,	Marcile (Bagot),
Delisle,	Michaud,
Demers,	Murphy,
Devlin,	Pacaud,
Fortier,	Papineau,
Gauvreau,	Proulx,
Graham,	Seguin,
Guthrie,	Sinclair,
Hughes (Kings, P.E.I.),	Thomson (Qu'Appelle),
Knowles,	Turgeon,
Kyte,	Turriff,
Lachance,	Verville.—44.

NAYS:

Messieurs:

Armstrong (Lambton),	Macdonell,
Armstrong (York, O.),	McLean (Queens, P.E.I.),
Ball,	Marshall,
Barnard,	Meighen,
Barrette,	Merner,
Bellemare,	Middlebro,
Bennett (Simcoe),	Morphy,
Blondin,	Morris,
Borden (Sir Robert)	Morrison,
Boulay,	Nicholson,
Bowman,	Paquet,
Boys,	Patenaude,
Brabazon,	Paul,
Bradbury,	Porter,
Burnham,	Rainville,
Carrick,	Reid,
Chabot,	Robidoux,
Clark (Bruce),	Roche,
Clarke (Wellington),	Rogers,
Clements,	Schaffner,
Cockshutt,	Scott,
Cromwell,	Sexsmith,
Crothers,	Shepherd,
Currie,	Steele,
Doherty,	Stevens,
Elliot,	Stewart (Hamilton),
Fisher,	Stewart (Lunenburg),
Foster (Sir George)	Sutherland,
Fripp,	Taylor,
Gauthier (Gaspe),	Thompson (Yukon),
Girard,	Thornton,
Glass,	Walker,
Gray,	Webster,
Hanna,	Weichel,
Hartt,	White (Sir Thomas),
Henderson,	White (Renfrew),
Hepburn,	Wilcox,
L'Esperance,	Wright.—77.
Lewis,	

PAIRS:

Ministerial.	Opposition.
Alguire,	McMillan,
Ames (Sir Herbert),	Brouillard,
Arthurs,	Truax,
Baker,	Kay,
Best,	Oliver,
Boyce,	German,
Bristol,	Bickerdike,
Burrell,	Douglas,
Casgrain,	Lemieux,
Davidson,	Chisholm (Antigonish),
Fowler,	McLean (Sunbury & Queens),
Green,	White (Victoria, Alta),
Guilbault,	Beland,
Hazen,	Pugsley,
Jameson,	Power,
Kemp,	Robb,
Lavallee,	Lovell,
McLeod,	Carvell,
Munson,	Boyer,
McCurdy,	McLean (Halifax),
Nickle,	Martin (Regina),
Sharpe,	Ross,
Stanfield,	Pardee,
Smyth,	Tobin,
Tremain,	Chisholm (Antigonis')
Wilson (Wentworth),	Wilson (Laval),
Wallace.	Nesbitt.

Mr. PUGSLEY: I was paired with the hon. Minister of Marine and Fisheries. Had I voted I would have voted for the motion.

Mr. NESBITT: I was paired with the hon. member for Centre York. Had I voted I would have voted for the motion.

Mr. LEMIEUX: I was paired with the hon. member for Quebec County. Had I voted I would have voted for the motion.

Mr CARVELL: I was paired with the hon. member for York, N.B. Had I voted I would have voted for the motion.

Mr. SMYTH: I was paired with the hon. member for Richmond and Wolfe. Had I voted I would have voted against the motion.

Mr. GREEN: I was paired with the hon. member for Victoria, Alberta. Had I voted I would have voted against the motion.

Mr. DAVIDSON: I was paired with the hon. member for Antigonish. Had I voted I would have voted against the motion.

Mr. NICKLE: I was paired with the hon. member for Regina. Had I voted I would have voted against the motion.

Motion negatived.

At six o'clock the House adjourned, without motion put, pursuant to rule.

Thursday, February 24, 1916.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

BLUE RIVER M. & L. CO.

Mr. GAUVREAU:

1. Did the Blue River M. & L. Co., of Rivière-Blue, county of Temiscouata, receive the permission and support of the Department of Railways and Canals for the construction of a spur line to their mill?
2. If so, what are the conditions?
3. Is the Railway Department aware that the said company is said to charge excessive rates to the lumber merchants and colonists who wish to load timber on the cars upon that spur line?
4. If so, is it the intention of the Government to inquire into the subject to find out if the rates are exorbitant and if the company has the right to charge such rates?

Mr. REID:

1. Yes.

2. The company to pay the cost of the perishable material and labour furnished by the railway, and an annual rental on the value of the rails and fastenings; the railway to make a refund of the cost of perishable material and labour at the rate of $2 per car on all cars loaded by others than the company since the siding was constructed and until such time as the railway provides its own facilities at this point.

3. The department has not been advised of any such excessive charges being made.

4. The department is at present making such investigation.

PORT HOWE POSTMASTER.

Mr. MACDONALD:

What salary is paid for all purposes to R. H. Smith, as postmaster for Port Howe, Cumberland county?

Mr. CASGRAIN: Salary, $79; rent allowance, $6; total, $85; also the usual money order and postal note commissions, which amounted to $13.75 in the last fiscal year

PORT HOWE R. R. No. 1.

Mr. MACDONALD:

1. Who is the mail contractor for Port Howe, R. R. No. 1, Cumberland county?
2. What amount is paid him yearly under his contract?

Mr. CASGRAIN:

1. W. H. Dunbar.

2. $295.

SOLICITOR GENERAL'S OFFICE FITTINGS.

* Mr. LANCTOT:

What was the total cost of preparing, fitting up, and furnishing the new offices of the present Solicitor General in the Eastern Departmental block at Ottawa?

Mr. ROGERS: Cost of fittings and furniture, $802.45.

CHARTERS OF GOVERNMENT STEAMERS.

Mr. MACDONALD:

1. To whom did the Railway Department charter certain steamers belonging to them?
2. At what price, and for what time were they chartered?
3. Were tenders or offers called for before chartering?

Mr. REID:

1. Dominion Iron & Steel Company, Limited, Sydney, N.S.; W. J. Sharples, Quebec; Reid Newfoundland Company, St. John, Nfld.; British Empire Grain Company, Winnipeg, Man.; George McKean & Co., St. John, N.B.; Maritime Nail Company, St. John, N.B.

2. Dominion Iron & Steel Company, Limited: SS. Sharon, Sheba, and Durley Chine, at £800 per month for each vessel; the department to pay and board the respective crews, and the company to make any repairs necessary; delivery to charterer in November, 1914; re-delivery to department not later than July 1, 8, and 15 respectively, 1915.

W. J. Sharples, Registered: SS. Durley Chine for one voyage from Pugwash, N.S., to Manchester, England, with cargo of lumber; rate of hire, £8 15s per St. Petersburg standard; delivered to charterer November, 1915.

The Durley Chine one trip, North Sydney, N.S., to St. John, Nfld.; re-delivery at Halifax, N.S.; rate $300 per day, exclusive of bunker coal. One trip Halifax to Glasgow, cargo grain; 13 shillings per quarter.

SS. Sheba, one trip North Sydney to St. John, Nfld.; re-delivery at Halifax, N.S.; rate, $300 per day, exclusive of bunker coal. One trip Halifax to West coast of England, with lumber, at the rate of 175 shillings per standard. One trip Halifax to Havre, cargo, nails and wire; rate $25 per ton.

3. No. In October, 1914, a proposal was made by the Dominion Iron & Steel Company, Limited, for the charter of the three vessels employed in the Hudson bay dedevlopment for the interval between the seasons of 1914 and 1915, of Hudson bay navigation, which was accepted. At the conclusion of the Hudson bay season of 1915 the vessels were placed under the management of the Canadian Government railways for the winter season, except with respect to W. J. Sharples, charter which was negotiated by the department through shipping brokers. The steamers under the management of the Canadian Government railways were placed in the hands of a shipping broker, who chartered them in the open market.

LOUISVILLE POST OFFICE.

Mr. GAUVREAU:

What has been, during the past year, the total revenue of the Louisville post office?

Mr. CASGRAIN: Gross revenue from 1st January, 1915, to 31st December, 1915, $2,632.42.

SUPPLIES FOR 106th REGIMENT.

Mr. MACDONALD:

To whom were contracts awarded for provisions, meats, furnishings, stoves, coal and other supplies, respectively, in connection with the billeting of soldiers of the 106th Regiment at Pictou, Nova Scotia?

Sir SAM HUGHES: Contracts for supplies were awarded as follows: Meat, Pope Bros., Pictou, N.S.; bread, James D. McDonald, Pictou, N.S.; groceries, John Munro, Pictou, N.S.; jam and marmalade, E. D. Smith & Sons, Winona, Ont.; soft coal, Peter Brown & Sons. Stoves, fittings and materials for fitting up quarters for the battalion were obtained as follows: plumbing, W. D. McKenzie; tinsmith work, Scott Brown; toilets, Amherst Foundry Co.; 3 cooking ranges, Enterprise Foundry Co.; 14 stoves, J. F. Carson; electric light fixtures, John A. Stalker & Co.; lumber, A. Fullerton & Son

POWDER MILK.

Mr. J. J. HUGHES:

What quantity of milk can be made from a pound of powder milk?

Sir SAM HUGHES: This question was asked yesterday.

Mr. J. J. HUGHES: Might I amend the question, as there was a little difficulty in answering it yesterday. I would like to put the words "good, serviceable," between "of" and "milk." I am informed that a pint of this powder milk would not colour a cup of tea.

Sir SAM HUGHES: That is the answer.

64TH BATTALION.

Mr. PROULX:

1. Who is the medical officer of the 16th Battalion, now being formed at Sussex, N.B.?

2. Has Dr. Burnet, of Sussex, N.B., been doing any portion of this medical inspection work?

3. If so, what amounts have been paid Dr. Burnet since August 1, 1914?

Sir SAM HUGHES: The hon. member was not present when I pointed out that the 64th Battalion were not at Sussex. If the 64th Regiment is the one referred to, it is at Halifax. If the hon. gentleman will amend the question I will answer it.

Mr. PROULX: Suppose the question amended to read "64th Regiment at Halifax."

Sir SAM HUGHES: If that is what the hon. gentleman means let him give notice of it and the question will be answered.

PAYMENTS TO WALLACE SHIPYARDS, LIMITED.

*Mr. MURPHY:

1. What amounts were paid in each of the years 1913, 1914 and 1915, to the Wallace Shipyards, Limited, of Vancouver, for repairs or work of any kind on the dredge Ajax?

2. What amounts were paid in each of the years 1913, 1914 and 1915, to the Wallace Shipyards, Limited, of Vancouver, for repairs or work of any kind on the dredge Mudlark?

3. What amounts were paid in each of the years 1913, 1914 and 1915, to the Wallace Shipyards, Limited, of Vancouver, for repairs of any kind to the dredge Lobnitz?

4. What amounts were paid in each of the years 1913, 1914 and 1915, to the Wallace Ship-

yards, Limited, of Vancouver, for repairs or work of any kind to the tug Point Ellice?

5. What amounts were paid in each of the years 1913, 1914 and 1915, to the Wallace Shipyards, Limited, of Vancouver, for repairs or work of any kind on the tug Hoke?

Mr. ROGERS:

Plant.	Fiscal year.	Amount.
1. Dredge Ajax	1913-1914	None.
	1914-1915	$1,225 00
	*1915-1916	1,160 20
2. Dredge Mudlark	1913-1914	None.
	1914-1915	None.
	*1915-1916	None.
3. Lobnitz No. 1..	1913-1914	None.
	1914-1915	None.
	*1915-1916	None.
Lobnitz No. 2..	1913-1914	None.
	1914-1915	$2,911 15
	*1915-1916	None.
4. Tug Point Ellice.. ..	1913-1914	$5,523 37
	1914-1915	932 28
	*1915-1916	None.
5 Tug Point Hope	1913-1914	None.
	1914-1915	None.
	*1915-1916	None.

*To December 31.

CANADA CAR AND FOUNDRY COMPANY.

Mr. DOUGLAS:

1. What was paid the Canada Car and Foundry Company per kilowatt for electric light while the department used their buildings in 1915, at Amherst?

2. Did said company supply the said light, or did it purchase it from another company?

3. Is the department aware of the price paid per kilowatt for electric light by the Canada Car and Foundry Company to the electric light company?

Sir SAM HUGHES:

1. Nine cents per kilowatt hour.

2. Yes; but no evidence to show whether or not they generated the light.

3. No.

MILITIA AND DEFENCE—MORRISBURG, ONTARIO.

Mr. KYTE:

1. Did the Department of Militia and Defence, directly or through an agent, since August 1, 1914, rent an office in Morrisburg, Ontario?

2. If so, for what purpose was such office rented, and what is the name of the official who occupied it?

3. What was the rent paid for such office?

4. Is the office still occupied by the Department of Militia and Defence? If not, when did such occupation cease?

Sir SAM HUGHES:

1. No.

2, 3 and 4. Answered by No. 1.

FISHERY INSPECTOR FISHER.

Mr. KYTE:

1. Is Ward Fisher employed by the Government in any capacity other than as fishery officer?

[Mr. Murphy.]

2. If so, in what capacity, and how much is he paid for his services?

Mr. HAZEN: Yes. In addition to his duties as a fishery inspector he is for the time being performing services at headquarters, and is being paid at the rate of $2,000 per annum during the time he is at headquarters.

L'ASSOMPTION AND MONTCALM RURAL MAIL.

Mr. SEGUIN:

1. What are the names of the different tenderers for the carrying of the mails from the rural boxes established in the counties of l'Assomption and Montcalm down to the present date?

2. What is the amount of each of such tenders and contracts, and what is the name of the tenderer to whom each of such contracts has been awarded, and for what sum in each case?

3. Were there any contracts given without tender? If so, to whom, and for what amount in each case?

Mr. CASGRAIN: The information asked for by the question is contained in a return which will be laid on the table of the House in due course.

LIGHTHOUSE BOARD.

Mr. JAMESON:

1. Is there a Lighthouse Board for Canada? If so, when was it constituted?

2. Who are the members of the board, if there is one, and when was each appointed?

3. What are the functions of the board?

4. To whom is the board responsible?

5. Is any remuneration or allowance for time or expenses made to any member of the board? If so, how much has been paid to each since his appointment?

6. Of what transportation or steamship companies, if any, is any member of the board an employee or director?

Mr. HAZEN:

1. Yes. By Order in Council, dated 26th February, 1904.

2. The Deputy Minister of Marine and Fisheries, Chairman, appointed 8th June, 1910; the Chief Engineer of Marine and Fisheries, appointed 26th February, 1904; the Commissioner of Lights, appointed 1st July, 1908; the Superintending Engineer of the River St. Lawrence Ship Channel, appointed 19th September, 1912; the President of the Shipping Federation of Canada, as representative of the shipping interests in the Atlantic division, appointed 20th January, 1911; the President of the Dominion Marine Association, as representative of the shipping interests in the Inland division, appointed 3rd February, 1916; Capt. J. W. Troup, of Victoria, as representative of the

shipping interests in the Pacific division, appointed 6th June, 1906.

3. To inquire into and report to the Minister of Marine and Fisheries upon all matters assigned to him under section 833 of the Canada Shipping Act.

4. To the Minister of Marine and Fisheries.

5. Yes, the members of the board not officials of the department are allowed their travelling expenses for attending meetings of the board, and an honorarium of $5 a day each while attending meetings. Andrew A. Allen, $576.30; J. W. Troup, $768.65.

6. The department has no knowledge of the connection of members of the Lighthouse Board with transportation or steamship companies, except in the case of Capt. Troup, who is an employee of the Canadian Pacific Railway Company, and except in the case of the President of the Dominion Marine Association, who is assistant manager of Canada Steamship Lines, Limited.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Macdonald.—For a return showing how many men have been recruited in Canada for active service in the Navy, either Canadian or British; at what places they were recruited; and for what rank and service they have been recruited, respectively.

Mr. Sinclair.—For a return showing how many employees were in the Post Office Department on October 11, 1911, in the inside service and the outside service, respectively, including postmasters and other officials of every class paid by the department; also the number of temporary clerks employed in 1900, whose services were dispensed with on or before December 31, 1911; also, how many employees were in the pay of the Post Office Department on December 31, 1915, in the inside service and in the outside service, respectively, including postmasters and other officials of every class paid by the department; also the number of temporary clerks employed in 1915, whose services were dispensed with on or before December 31, 1915.

CARPENTERS' STRIKE IN MONTREAL.

On the Orders of the Day:

Mr. VERVILLE: I would like to call the attention of the Minister of Labour to the following telegram which I have just received, and which I have been asked to read to the House:

> Canadian Vickers Maxim, Ltd., carpenters, joiners, and ship carpenters are out on strike. Read this out to House this afternoon. Four hundred men affected.
>
> J. A. Laflamme.

I call attention to this because it is very important. I understand that the strike is on account of a reduction of wages.

Hon. Mr. CROTHERS: I received this morning information to the same effect, and took the matter up immediately with the employers at Montreal. I think there are prospects of an early settlement.

THE BUDGET.

Consideration of the proposed motion of Sir Thomas White (Minister of Finance) for the Committee of Ways and Means, resumed from Tuesday, February 22.

Mr. H. BOULAY (Rimouski): (Translation.) Mr. Speaker, at the outset I may be allowed to refer shortly to the address delivered the other evening by the hon. member for Laprairie-Napierville (Mr. Lanctôt). There is often wafted over to us from the opposite side of the House bitter criticism of the campaign made by Nationalists in 1910-11. Apparently our Liberal friends have lost sight of the Nationalists that are found in their own ranks, among them the hon. member for Laprairie-Napierville. The other evening he outstepped any Nationalist who has taken part in our campaign. I even felt sorry that, in the midst of our present difficulties, a pronouncement of such a nature should come from a French-Canadian. Mr. Bourassa himself, although denied by his friends, has certainly never expressed himself in such terms either in his public utterances or his writings.

If excommunication there be for Mr. Bourassa, the hon. member for Laprairie should also be read out of his party.

The hon. member criticised the hon. Minister of Inland Revenue (Mr. Patenaude) for not having restrained his nationalist feelings and followed the dictates of his conscience in accepting a portfolio. Well, I cannot bring myself to see the crime which has been perpetrated by the man in accepting a place in the Cabinet. In a masterly effort he explained his position, and accounted for his having had to modify somewhat his viewpoint. As a matter of fact, he who insists in circumstances such as the present in sticking to his old opinions is not a true Canadian.

The hon. member for Laprairie, speaking on trade and commerce, had another complaint to air. The farmers of his constituency could not dispose of their hay, or at least could not dispose of it at the price they expected. My idea is that the farmers in his county and the hon. member himself, expect too much when they ask twenty dollars a ton, or rather nineteen, with a profit of one dollar for the hon. gentleman from Laprairie. In Rimouski, we have no fault

to find, and yet our hay sells for only fifteen and sixteen dollars a ton. We are quite satisfied to sell it at that price. If the farmers of Laprairie get twenty dollars, they have no reason to complain.

Then, the hon. member thought himself bound to criticise the Government embargo on the export of hay to the United States. My idea is that the object is to prevent Americans from buying Canadian hay which they could then sell at a profit in Great Britain. The Government intended that such profit should remain with the Canadian farmers.

Mr. LANCTOT: (Translation.) Surely the hon. member is aware that the hay which is being sold in the United States at twenty dollars a ton cannot at the present time be exported to England. The freight charges are three times the price of the hay. At the present time, you cannot ship to England under one hundred and eighty shillings a ton. The drift of my remarks was that since we were prevented by the embargo from exporting our hay to the United States, it was unfair for the Government to import American hay, in competition with ours, to have that hay re-pressed at Montreal and exported to England. Do you think it fair, Mr. Speaker, that the farmers of Canada should have to compete with this American hay?

Some MEMBERS: Order, order.

Mr. BOULAY: (Translation.) In any case, even after the explanations of the hon. member I agree with the reasons given by the hon. the Minister of Agriculture (Mr. Burrell) in his explanation of the embargo placed upon the export of hay to the States the purpose of which he said, was to keep in Canada a quantity of hay sufficient for the army.

Mr. LANCTOT: (Translation.) Mr. Speaker, I insist on my hon. friend not attributing to me statements I have not made. I have not criticised the Government for placing an embargo on the export of hay.

Mr. SPEAKER: (Translation.) The hon. member for Rimouski has the floor and I should request the hon. member for Laprairie not to interrupt.

Mr. BOULAY: Mr. Speaker, I am through with what remarks I wished to make on the speech of the hon. member for Laprairie, and I shall now pass to a consideration of the Budget.

My first care will be to congratulate the hon. the Minister of Finance on his clear and definite statement of the country's financial situation, as set out in his speech on the Budget. In a masterly manner, he has traced out his policy and the means to be taken to meet the present crisis. The hon. the Minister of Finance is a valuable acquisition. He certainly is the man for the position. No one better qualified could be found at the present time to fill the most difficult position of Dominion tax-collector and work out a satisfactory solution of the present economical problem. It is given to nations in critical times to find among its citizens men capable of coping with great events.

To what has already been said by previous distinguished speakers, I feel I may subjoin my own remarks.

The House has just been told that the long drawn-out investigation on the high cost of living is completed. I am no expert in economics; yet, whatever be the conclusions the commissioners have arrived at, I find it my duty to say that two of the most potent factors in the increase of the cost of living are:—

1. The excessive immigration of Jews and labourers from other countries;

2. The lack of farmers and the exodus from country to city.

The Jewish immigration is a real plague. I am told that Montreal alone accounts for 50,000.

Mr. LAPOINTE (Montreal): And they are good citizens.

Mr. BOULAY: No doubt; they likely are electors of my hon. friend; 76,681 of them in Canada, without taking into account those who are disseminated throughout the country. Out of all that number I should welcome any one who would name a single Jew who settled on the land with the intention of improving it. Not one came to Canada with that purpose in mind. On the contrary, every where they are found as dealers, pedlars, real estate agents, etc., not one is of any benefit to Canada. The other day it was said in my hearing in this House that after the war a strong influx would set in. Should that be the case, I should impress upon the Government and upon the Immigration authorities the necessity of barring from Canada not only those who would come here to reside without a family, but also any man who would comes without the avowed purpose of tilling the land.

We have no place for a single foreign labourer; farmers are those we want. We have no further need of foreigners as real estate agents, dealers, shopkeepers, and what not. If it be intended to lower the

cost of living, let us cut out idle people, who live on other people's labour, and let us increase the number of our farmers. The Government should pass some enactment empowering it to deport any person coming into this country who will not settle on a farm. Not only should it be required that an immigrant be the head of a family and undertake to become a farmer, but our agents should keep trace of him to see that he lives up to his obligations.

An energetic move should also be made to induce our farmers' sons to follow their father's noble calling in the great profession of soil and stock husbandry.

I must say that the two hundred and fifty million dollar Budget submitted us this year appears to me quite heavy for the country, although our friends on the other side are prepared to endorse every item. I shall insist on what I said last year in this respect. The countries at war, Great Britain in particular, should see to the maintenance of our soldiers as soon as they leave Canadian soil and all expenditure for munitions and the maintenance of our troops across the ocean should not be borne by us.

I further claim that there is no valid reason why our forces should be raised to 500,000 troops when we have only 60,000 to 70,000 at the front. It is a wise policy to train soldiers in advance, but why undergo excessive expenditure, when our first contingent was trained in five or six months and gave such a good account of itself on the battlefield that it cast glory and pride on the Canadian name. My opinion is that we have too many soldiers in training, taking all the place on the railway trains. The reply will be made that we must prepare for every possible contingency. However, I should prefer on the part of the Government a little more foresight here at home. It seems to me that certain individuals who apparently are acting the part of spies are allowed too much freedom. I inquired lately as to the number of Germans in the Civil Service and on my expressing astonishment at their being kept in employment, the answer was that:

> As they fulfil the duties of their position conscientiously, the Government sees no reason why it should dispense with their services.

To my mind, such an explanation will no more satisfy the country than it does me. What a mere certificate of naturalization, the signing of a mere scrap of paper which Germany tears into shreds, and of the kind she has already thrown to the four winds of Heaven, will be sufficient to bind a citizen of the Kaiser and turn him into a citizen of his adoptive country in time of war! Let us have some sense. Will that certificate of naturalization, without more, change the colour of the blood that flows in the veins of a German or an Austrian? Belgium stands as an example and the international laws trampled under are a clear proof of the stock we should place in a German's signature.

The length of time one resides in Canada does not count for anything when feelings have to be stifled and a man's origin to be eradicated from his memory. I myself am a case in point. In 1632, almost three hundred years ago, my first ancestor settled in this country; we are loyal to our institutions and true to our word; but still we retain our love for our old Mother France. We have wept over its political wrongdoings, but the soil remains the soil of our forefathers and the object of our deep affection, and in a war between England and France, on what side would be found my sympathies? On the side of France. Why should a German be different from any other human being?

Study the past, and you will be readily convinced that I am right, a hundred times right. It is not fair that the Government should keep in its service a single citizen of German origin. Without proof that they are disloyal subjects, we have at least reason to be suspicious of them, whatever the number of years they have resided in this country.

At any rate we have had a striking example only recently, of their way of looking at things, in the case of the notorious Lincoln, a fugitive from English justice, who has just been arrested by the New York police. That clever German had come to reside in England a number of years ago. He was naturalized and then was elected to the House of Commons at Westminster, where he sat during one or two parliaments. As soon as war was declared, he hurried across the Atlantic and did not deem it in anyway shameful to say openly that he had acted the part of a spy.

Let me be allowed at this juncture a short digression. I shall first quote from the speech of the brave Colonel Currie, member for Simcoe:

> Our ideas of the French people are in many cases entirely erroneous. The ideas put in books by novelists are often contemptible. There are no finer people, no more casual people, no more cool and collected people under danger—and I have seen them in the fight, in the middle of it—than the French.

These few words pronounced in sincere language by a man who has risked his life on the battlefields of Europe, by a man that

we know to have fulfilled his duty as a soldier and a brave man, who saw so many other brave men falling alongside of him, and to whom death was despised, have made me cry. Why so? Because I then thought of our own French-Canadians, descendants of that glorious race referred to by Colonel Currie, to-day victims of uncalled for, senseless and shameful tyranny. We, priding ourselves on our descent from those heroes who know when to die for their country, we also are determined to the last man to do our duty and prove to the world that we are ready to make the sacrifice of our lives when circumstances require. But what stands in our way? The ban which has been placed on our language in almost every province of this Confederation, the treatment meted us by the majority in this country. We whose ancestors have opened the continent to the cross and to civilization; we, whose missionaries have suffered martyrdom at the hands of the heathen on Canadian soil; we, who have been in possession of this soil for over three hundred years, we are treated as trespassers, as Germans and Indians? Why? Because we have remained true to the language of our forefathers.

We are not understood by our English speaking countrymen; we occupy of right the little bit of land we hold of the creator, the little bit of land we want to cultivate, on which it is our wish to live, respectful of our country's laws; to live in peace, speaking the language of our ancestors, of those same Frenchmen who know so well how to fight and die.

We are prevented from enlisting before we ever attempt to do so; we are deprived of our full share on the death-roll, by the persecution we are undergoing in our schools. We are asked in the face of the treatment we receive to take our place in the ranks of those glorious soldiers who are going to die for their country! It passes all comprehension.

The reproach is cast to us, especially in the Ontario newspapers, that we are not enlisting as we should. I will not admit that such is the case, but the saying is current. Yet after the war, when the count is made, it will be found that the number of French-speaking and English-speaking recruits of Canadian origin will have been about equal and that the proportion of French-Canadians from now on will have greatly increased. Even at this date, there are many French-Canadian units in English-speaking regiments, and officers have told me that many Frenchmen have enlisted in English regiments, some of whom are even now at Belleville and reckoned among English speaking recruits.

Notwithstanding our grievances, I should like to see recruiting still more active. Yet my county of Rimouski has already given more than two hundred recruits, a fair number of whom are now at the front, and four of whom have already fallen on the firing line. I have no hestitation in stating that if the persecution against French was called off, and that language allowed to be taught untrammelled, a thousand soldiers could easily be enlisted in the county of Rimouski alone, and that in a very short time. The same thing would happen throughout the whole of Quebec. All the harangues of Bourassa and Lavergne could not impede or diminish enlistment, because at this date not two per cent of the population agree with them.

Mr. ETHIER: (Translation.) Things have much changed.

Mr. BOULAY: (Translation.) Yes, things have changed. I said so at the beginning and gave the explanation. In 1896, you also did change. It has been said that whoever never changes his views is a fool.

We have no wish to prevent the English-speaking majority from using their language, we are still more loath to impose ours on them; on the contrary, we want our own children to learn the two languages that are official in this country. Such is our ambition, and a legitimate one indeed. The same ambition is to be found at all periods and among all nations. Why not so with the French who inhabit Canada? We have not degenerated. The qualities that characterize the French of France are to be found in the French of Canada. We have one desire at heart, freedom, yes, that freedom which allows the child in the cradle to breathe freedom which makes one give his life in the defence of his country, of his motherland.

I shall now speak on a subject touched upon by the hon. member for Halifax (Mr. Maclean). He claimed that we should cut short all expenditure for public works, which are not strictly necessary. He insisted particularly on the Hudson Bay railway. It does seem to me that if there is an item of expenditure which should be cut off, it is indeed the construction of the Hudson Bay railway and all works connected with it. As a matter of fact, I never could understand why that construction was undertaken. Is it for the purpose of giving the western grain an earlier outlet?

But we have already three railways that can accommodate three such harvests like this year's, which however is quite abundant. How can it be said as a plausible justification that the purpose is to afford early shipping to western wheat, since, at the time wheat is ready for shipping, navigation has been closed for a long while already, and so, not before the following mid-summer, could the Hudson Bay road be utilized.

Are the millions of dollars now to be expended intended to satisfy the numerous requests made to the Liberal Government and which this Government has promised to grant? There was no obligation on our part to carry out the promises of the late administration. Even the present expenditure fails to satisfy the western farmers. Their representatives in this House show dissatisfaction. They dare not criticise the construction of that railway, but they take hours, days and even weeks of our precious time in pressing for the free export of wheat to the American markets. Free wheat is their shibboleth. If their sole ambition is to reach the American markets, why build a new railway at great expense to give a better outlet to their wheat? If our western countrymen cannot be satisfied with the expenditure of millions and millions for their sole benefit, let us do away with those enormous expenses, at least during the war. Let us put a stop to the gigantic building operations on the Hudson Bay railway, and we shall have done something to the country's advantage.

Let us also postpone the work in St. John harbour and the dredging of Courtenay bay. We have a splendid winter harbour at Halifax; why go on with those immense works at St. John? A small trip to Courtenay bay will convince you that we are wasting millions in digging a mud channel. Some justification could at least be found if a shorter route were made for ocean vessels, but on the contrary the ocean voyage by vessels running into St. John is increased by two hundred miles.

I quite understand that the Liberal party and the present Government in turn strive to construct as many public works as possible, and spend as much as possible at St. John. The city of St. John is represented in this House and has always been by Cabinet Ministers, but it behooves the rest of the country to approve or disapprove of all this expenditure.

The hon. member for St. John, I presume, place above the special interest of their city the general interest of the country. To hear them in this House, they have nothing at heart so much as the welfare of Canada.

I believe that the enormous expenditure in the misty harbour of St. John is a direct cause of the delay in bringing about the winter navigation of the St. Lawrence.

I believe previous experience has shown that ocean liners could with safety sail up to Rimouski or to the Saguenay and even to Quebec during the whole of December every year.

Yet that project of winter navigation has been relegated to the back ground to satisfy the ambitions of our two Atlantic ports, quite legitimate in the case of Halifax harbour, but unfair in the case of St. John.

I shall then conclude with the remark that the real interests of the country require that the works in St. John harbour and Courtenay bay and on the Hudson Bay line be stopped; that there ought to be enlisted only the number of soldiers strictly required and that steps should be taken to regulate the immigration which will flow into Canada after the war.

Mr. ALPHONSE VERVILLE (Maisonneuve): The debate on the Budget offers many advantages to members of this House, because we are at liberty to discuss during it many important subjects; in fact, almost any subject. It is not my intention to follow my hon. friend (Mr. Boulay) in all that he has said, because only one or two of his remarks call for a reply. At the outset of his remarks, when he was discussing the question of immigration, he condemned a certain element of our citizens, good, law-abiding people, declaring that they should be refused admission to Canada. He referred in this way to the Hebrews, the Jewish people, in this country. I do not believe it is fair for any member to criticise any citizen of Canada in this way; we have always said that we were a democratic country, that our doors were wide open for good, law-abiding citizens, and it is especially unfair to speak in this way of the Jews, because they are a class of people who will become naturalized as quickly as the laws of the land in which they settle will permit.

Sir WILFRID LAURIER: Hear, hear.

Mr. VERVILLE: I belong to a class of people who do not believe in any line of either creed, colour or nationality, and if I am to take the words of the hon. member for North Simcoe (Mr. Currie) the other night when he was speaking with reference to conditions at the front, we must believe, in fact he has proved to us, that there were

no questions of nationality, creed or colour among the men on the firing line. So I do not believe it becomes the hon. member for Rimouski to try to throw any slur upon these people as he did when he plainly stated in French that the Jews in this country were a plague. I take issue with this statement. I have no special mission to defend the Jewish people any more than any one else, but as the representative of a city where there are a number of Jewish inhabitants, I say it is unfair, unjust, and uncalled-for for any member of the House to use such language. Towards the close of his remarks my hon. friend reproached the city of St. John for always having the advantage of having a minister of the Crown to represent it. If any one in this House should say nothing on this line, it is surely the hon. member for Rimouski himself. Perhaps at present he has nobody in his family whom he would like to place in any of the departments of the Government; but if I were to take the list of his friends and relations whom he has placed in the different departments and place it before the hon. member, surely he would not attack the Minister of Marine and Fisheries (Mr. Hazen) nor the ex-Minister of Public Works (Mr. Pugsley), the other representative of that city, to-day.

We have heard in this House, particularly yesterday and a few days before, a full discussion of the wheat question. No family in this or any other country can do without the staple of life, bread. This is a very acute question, not only in the cities but everywhere. The report of the Royal Commission on the High Cost of Living was placed in the hands of the members of the House within the last few days, and, in the short time at my disposal since I have devoted a good deal of attention to its contents. The report undoubtedly contains a great number of statistics, but outside of that I do not like to say much about it. In going through this report, I wondered why, even yesterday, during that famous discussion, the Solicitor General, who showed such great sympathy for minorities, yet would not favour the motion that was before the House.

While on the question of minorities, may I say a few words with reference to another question of importance? From what I have heard lately I am tempted to ask if what is transpiring in the city of Ottawa and in this province is not the result of a system of German espionage established to prevent recruiting in the province of Quebec. I really believe that even Bernsdorf could not have done better, if he had been trying to stir nationality against nationality, than the system now in operation in the province of Ontario. I just cite that in passing, because I am going to ask members of this House, although the subject is outside of our jurisdiction, to use their good offices to terminate the dissention that now exists. We preach every day patriotism, and patriotism, and always patriotism. I may not understand patriotism as well as some other members, but surely in patriotism there is no question of nationality, or creed, or colour. It seems to me that the members of this House should do all in their power and use their good offices in that respect.

Reverting to the bread question, I wish to place on Hansard some figures showing a comparison between the prices of bread in the different parts of the world. These figures are found in volume 1, at pages 747 and 748, and cover Chicago, Montreal, Liverpool and London. That seems a fair comparison. The report is for the year 1909. One might say that there has been quite a change since, but nevertheless we have to take the report as it is given. We find that from a barrel of flour weighing 196 pounds a baker can make 280 pounds of bread. We find also that the total cost of everything that he adds to that barrel of flour to make that 280 pounds is $1.13. In Chicago, where the wages received by workingmen are between 20 and 22½ per cent higher than in Montreal, 280 pounds of bread cost $12.76, while in Montreal, for the same quantity, the price was $14.56; in Toronto $11.20, and in Ottawa $12.54; in Liverpool, England, $6.94, and in London $7.61. It sold in Montreal for twice the price that was charged in Liverpool or London. So much has been said with respect to the price of flour that I desire to quote prices given in this same report, at page 754, in a report from Mr. W. A. Black, managing director of the Ogilvie Milling Company. He gives the figures in criticising some other figures that appear in the paper as showing the difference in the price of flour in different places. He states that the top grade of flour costs in Winnipeg $4.50 and in London $4.18, a difference of 32 cents; patents, $4.80 in Winnipeg, $4.06 in London; bakers, $4 in Winnipeg, $3.60 in London. We can see by these figures, given by this managing director himself, that flour sold cheaper in London than in Winnipeg, and also that bread cost in London not much more than half what it

cost in Montreal. There is something radically wrong somewhere. I have said in this House in previous years that the bread trust organized in Toronto a few years ago was exceedingly powerful, and in that statement I made no mistake. They have spread everywhere. They have extended their operations to Montreal, and the profits which they are making are evidently enormous. It is a question whether these institutions will be covered by the taxation proposals of the Minister of Finance. That will depend largely on the amount of watered stock they have.

An hon. MEMBER: They will not pay anything.

Mr. VERVILLE: My hon. friend tells me they will not pay anything; I take his word for it. If I am to take my hon. friend's statement that these companies are not going to pay any taxes, is it advisable that we should any longer permit companies of this kind to exploit the masses of our people? It is impossible at the present time for any family to do without bread; there is no family poor enough or small enough to get along without the staple of life, that is, bread, and as I have stated it is a very acute question in our city. I go directly to the root of the whole question. If we could get the wheat cheaper we could compel the millers to sell the flour a little cheaper, and then we would have a basis on which to go to the baker and say to him: "You cannot complain about the high cost of flour, because you are now paying a lower price for it." According to the same report, at page 137 of the first volume, there is a statement by the Department of Labour of what is necessary for a family to live for a whole week, based on an income of $800 during the year. According to their report, a family of five would eat fifteen pounds of bread per week. You can imagine what that means, always keeping in mind the hundred per cent difference between London and Montreal. When I take the report brought down by the Department of Labour, previous to the report of the High Cost of Living Commission, although the former is included in the latter, I notice that the writer of the report fixes $800 as the amount that it will cost a family of five to live for a year, but he has forgotten a great many things, and amongst them some of the most important things of life. For instance, he has forgotten sickness, church contributions, the carfare that the workingman must pay to reach his place of employment, furniture, linen, etc. According to the figures contained in this report, $160 would not be any too much to add for these items, and we would reach $1,123 if we were to add all the absolute necessaries of life omitted from the list contained in the report. Every time that a workingman buys something—I do not care what it is—he pays the equivalent of the tariff rate on that article. The tariff tax is applied to every dollar's worth that he purchases. Not only on goods that are imported into this country does he pay the tax, but he pays it on the goods that are manufactured in the country. You know as well as I do that the tariff is the basis of the prices charged for goods manufactured in Canada. You cannot buy a pin, or anything else, but the tariff will set the price of it. If I take a rate of thirty per cent as representing the rate of tariff taxation, the workingman will have to pay thirty per cent additional on every dollar's worth that he purchases during the year.

I have a few figures here which I want to place on Hansard, and which I want to present to the members of this House, showing that we pay far more in taxation than we realize on the goods which we purchase, of which taxation the Government only receive a certain portion under the system now in operation. Taking the population of Canada at 7,500,000, and dividing this number by five, you get the number of families as 1,500,000. According to the report of the Department of Labour, it costs $800 per family to live, and on that basis you have $1,200,000,000 as the annual expenditure of these 1,500,000 families in the country. I know that I am far below the truth when I accept the estimate of $800 per family. If you add 30 per cent to that, which means that for every dollar we spend we pay 30 cents additional indirectly, you will find that this indirect taxation amounts to $360,000,000 every year. We take no less than $360,000,000 every year from the pockets of the consumers, the poorer classes especially, in taxation. According to the blue-book, 21 per cent is the maximum amount that the Government receive from the tariff, and I doubt very much if they receive that much.

Now, I would like to show by way of illustration the effect of the 7½ per cent duty which was added to the tax on raw material last year. What does it mean? Let us take a value of $100, by way of example, and see what it amounts to with the 7½ per cent added. One hundred dollars

worth of raw material, when it is landed in the factory, is, with the duty added, worth $107.50. I am not speaking of the profit of the person who furnishes the raw material. If you add 25 per cent, which is nothing but fair for the profit and overhead charges of the manufacturer, you find that the article costs the wholesale house $134.37. The wholesale man also must make a profit of 25 per cent. When it reaches the retailer it is worth $177.96. Is it unfair to expect that the retailer should also make 25 per cent profit? They say that 22½ per cent is the minimum amount that a business man can allow for overhead charges. We therefore add 25 per cent as the retailer's profit, and when the article reaches the consumer its cost has increased to $222.45. The article starts out with a value of $107.50, and by the time it reaches the consumer it has attained a price of $222.45 as a result of our present system. I do not want to take the rate of 30 per cent, because I am afraid that some members in the House might say that it was too high.

It is because of this excessive burden of indirect taxation that I have always said, every time I have had an opportunity of discussing this subject, that I was in favour of another system of taxation. I do not care whether the Minister of Finance wants to adopt a new system now or not, he will be compelled by the logic of events to change it. I am not opposed to a system of direct taxation, because I want to see taxes imposed in such a form as to make an equitable distribution of the burden amongst all. Under the system proposed by the Minister of Finance there are many institutions now in existence which will not contribute a cent of the taxes. What about the high-salaried men? There are many men in this country who are receiving $10,000, $15,000, $25,000 a year. I know of one who works for the Government who is receiving $20,000 a year, and he goes scot free. There are many others in a similar position. I do not think it is fair. That is why I am in favour of a change in the present system of taxation. If my hon. friend the Minister of Finance would come before this House with a direct system of taxation I would favour it. I do not believe there is any other equitable way unless you are going to tax the land itself. Suppose you, Mr. Speaker, purchase a lot for a thousand dollars and build a house upon it. There are two or three vacant lots adjoining your property. Your neighbour also builds a house and you both put a certain amount of money into your improvements. You wish to make your property attractive in appearance and you make a garden and improve your grounds. A man comes along and buys one of the vacant lots for perhaps $1,000, and, as a result of the improvements which you and your neighbour have put upon your properties, this vacant lot, in two or three years, attains a value of perhaps $5,000. The purchaser of this vacant land has had nothing to do with bringing about this increased value, it being the result simply of the improvement of the surrounding property. Then, if you paint your house, plant shade trees about it and cultivate a garden, thus adding to the attractive appearance of your property, the chances are that an addition of $200 or $300 will be made to your assessment, and your taxation will be increased.

When anybody proposes a system of direct taxation, or of land taxation, the cry goes up that it is too radical. We are always afraid of radical things here, but in two or three years what are supposed to be radical systems are accepted as commonplace, natural, and obvious. If we cannot have land taxation, let us have an income tax. Why should we not tax hon. members of this House who are receiving $2,500 a year? Why should we not tax the indemnities and salaries of ministers of the Crown? If we had an income tax of two per cent we could collect in the city of Ottawa alone $175,000 a year from the high-salaried civil servants. I am willing to pay my share if other hon. gentlemen are.

The present system of taxation imposes a heavy burden on the poorest class in this country. The basis of the cost of living in any country is the tariff. Suppose, for instance, that the labour men of this country succeeded after a long struggle in raising wages by twenty-five cents a day; the Government could wipe out that increase in a moment by simply raising the tariff on the goods the workmen consume. The moment the tariff goes up, the cost of living increases. Will any one in this House say that salaries have not decreased during the last two years or that the cost of living has decreased? According to the report laid on the table a few days ago, the cost of living has increased by five per cent, and wages have decreased—not in the shell industry, of course. We have recent proof that wages are decreasing in this country in the telegram I read to the House a few

minutes ago to the effect that Vickers-Maxim want to reduce by 2½ cents an hour the pay of their labourers; and that is a firm that is getting big money on its contracts.

Let us look for a moment at the system of taxation in Wisconsin. Speaking from memory, I believe that every bachelor in that state earning over $800 a year is taxed. Why should we not have a similar tax here? Wisconsin also taxes the married man who earns over $1,500 a year, after making an allowance of $200 for each child he has. Hon. gentlemen might retort that these taxes would not yield much money in the province of Quebec. Perhaps so. I am sure that in a great many places in my province very little money would be collected by taxes of that kind. It is only fair that bachelors should be taxed. A bachelor earning $800 a year is better off than a married man earning $1,500. What expenses has a bachelor got? Sometimes he pays his board, and sometimes he jumps it; he has nobody to carry with him when he goes. The Finance Minister saw difficulties in the way of collecting an income tax, but I think it could be very easily collected in the same way that we collect customs duties. The income tax has been very successful in the United States, where $83,000,000 was raised by it the first year. When there was talk of imposing the tax there, all the high-salaried people ran down to Washington and did all they could to prevent the imposition of the tax. But we don't hear any complaints about it to-day; they have made up their minds that it is only fair that they should be taxed.

I hope that before the Finance Minister brings down his Bill he will give serious thought to the suggestions I have made. I am convinced that this taxation is going to fall most heavily on the poor people of this country; I am positive of that. I hope no one will say that the poorer classes of this country have not done their share as regards recruiting. As soon as the question of recruiting came up amongst the organized labour men of this country, we in quired from headquarters, which are not in this country, what our attitude should be, and they said that as long as the men were fighting at the front they would pay their sick benefit, and that if they got killed they would pay their insurance benefit. It seems to me that the labour men of this country are doing their share in this war. I told the Finance Minister last year that the taxation he was then imposing would fall most heavily upon the poor people of this country, and so it has proved. A poor man cannot buy a box of pills from a drug store without paying from two to five cents war tax. It was said last year that the tax would be paid, not by the consumer, but by the druggist, either wholesaler or retailer. The fact is the consumer pays the tax in every instance.

I should like to say a few words in regard to soldiers' pensions. It has been my privilege to see quite a number of returned soldiers, for I have the honour to be a member of one of the commissions appointed to search for work for returned soldiers. I think everybody will agree that in the future we shall have to pay out a large sum for pensions, and it seems to me that we might as well make a thorough job of the entire pension system now. Why not, when we are arranging for pensions for soldiers, provide a general old-age pension scheme? We are juggling with millions, and a few millions more or less will make no difference.

I am one of those who has declared himself in this House to be against war. I have always been opposed to war—and it might fairly be asked why I am not opposed to this present war. The reason I do not oppose Canada's participation in this war is the same that was given by the president of the American Federation of Labour at the last convention, when he said that he had changed his mind in regard to war since he had seen all the labour men of Great Britain and France rallying round the flag to fight for civilization. It has been exactly the same with me. I have said in this House before, and I say it again now, that I am willing to vote any amount of money required to carry on the war, provided the money will be spent properly. I hope no one will accuse me for not enrolling under the flag; I am too old for that. I myself would not criticise any one for not enlisting, but I take off my hat to the soldier, and say he is a man. Labour men have done splendidly in this war. A large part of the blood that has stained the dunes of Flanders has flowed from the veins of the labour men of this country, who have made up their minds that this is a fight for right, a fight for liberty, and the liberty that the workmen of Great Britain fought for so stoutly. When I read of the manner in which the labouring men of Great Britain had to hide themselves in

cellars to safeguard their rights, and how they had to fight for the liberty which they had so far achieved, I made up my mind that the labour men of this country, whenever their rights might be menaced, would do all in their power to safeguard the liberty that was so dearly bought by our British brothers.

I hope the Minister of Finance, in framing his taxes, will take into consideration those who can well afford to pay. Let him put a stop to the "get-rich-quick" idea, and change his system so that there will be less taxation imposed upon the poorer classes of this country.

Mr. A. L. DAVIDSON (Annapolis): Mr. Speaker, a few years ago, before I became a member of this House, when I learned through the press of the election of my hon. friend from Maisonneuve (Mr. Verville), over a Liberal nominated by a Liberal convention in that constituency, I thought it a very fortunate circumstance. It struck me as being very appropriate that the great interests of labour in this country should have in this Parliament a representative who could speak exclusively for labour.

Mr. VERVILLE: Did my hon. friend say that I was chosen by a Liberal convention?

Mr. DAVIDSON: No, I do not think that even a Liberal convention would be guilty of that. What I said was that the hon. gentleman was elected in opposition to the nominee of a Liberal convention.

After having obtained a seat in this House and after having had an opportunity of observing the attitude of my hon. friend, I was at a loss to understand just what the distinction was between a labour representative and a hidebound Grit, and I have never yet been able to see in the attitude of my hon. friend anything that has convinced me that he has in his mind any very clear distinction between the two. I did think, however, when this Budget was brought down, that now my hon. friend would have an opportunity, if he really had at heart the interests of the great labour party, to show that he stood for the interests of labour, separate and apart from the principles of Gritism. But after hearing him to-day condemn in the most unmeasured terms this tariff which is very greatly in the interest of labour, and, furthermore, after hearing him speak so glibly about a matter of a few million dollars not amounting to anything, I made up my mind that there was very little in common between my hon. friend and the labour party which he pretends to represent.

I am informed that, in times past, when the Budget was brought down, the Opposition were in the habit of immediately rising to define the attitude of their party in respect to the Budget proposals. In former times, as soon as the Minister of Finance threw down the gage of battle it was taken up; but this year—and perhaps the change has dated back one or two years—there has been a change of tactics. This year two full days were allowed to elapse, with the glove of the Minister of Finance in the lists, before the financial critic of the Opposition could make up his mind whether it was better for him to pick up the glove or to run away. This I understand is due to a change in party tactics. In the old days, the Opposition party was led by men having seats in this House, and members of the Opposition were enabled to lay down a policy both for themselves in this House and for their party in the country outside. That policy apparently has been changed just as there has been a radical change in military tactics. In former times a commander went into battle at the head of his men. To-day, I am informed, the direction of a military engagement is not in the trenches, but some general, sitting miles back in a little office with plans and despatches before him, directs the conduct of the battle. So it is in this House at the present time. Hon. gentlemen in the trenches opposite do not direct their own movements; as a matter of fact, there is an advisory committee composed largely of persons not having seats in this House, in many instances of persons who have actually been rejected by the people of this country. This committee, which is out side of this House altogether, determines when hon. gentlemen opposite shall march to the attack and when they shall retreat.

Personally, I am not in favour of such a system. It is not democratic; it is not fair to hon. gentlemen opposite, and it seems to me that an hon. gentleman who is entrusted with looking after his constituents, in whose ability his constituents have enough confidence to send him here, should be allowed to act for himself after he is elected.

Further than that, such a system tends to do away with responsibility. I believe that hon. gentlemen opposite have made many wild and reckless statements which

would never have been made had they been allowed to think these things out for themselves, had they not been dictated to by people outside. When the Opposition are not allowed to think for themselves, when they are controlled by an outside party and when they must refer everything to people outside of this House, delay is caused and the debate drags. If hon. gentlemen opposite were allowed to get together and decide for themselves their own policy, they could act with cohesion; but as it is, hon. members opposite from the Maritime Provinces look for guidance to an individual who has not a seat in this House and who resides somewhere down in Nova Scotia, and they follow him and hon. gentlemen opposite from the West look to some one residing in the West for their judgment, and the result is confusion amongst them. It is no wonder therefore that we have found confusion and contradiction amongst the members opposite who have spoken in this debate. For instance, we have the hon. junior member for Halifax declaring that the duty on apples is a bad thing because the apple is a staple article of consumption, and we have the hon. member for Medicine Hat (Mr. Buchanan) objecting to the duty on the ground that apples are a luxury. Again, we have the hon. member for Halifax stating that seven per cent is not sufficient for a business interest to obtain by way of return on the investment of capital, and we have the hon. member for Medicine Hat claiming that it is too much. However, I suppose hon. gentlemen opposite will not attach much importance to my views in reference to the management of their internal affairs, and I do not suppose that, inasmuch as this is a domestic matter, I should say much about it. Constitutionally, we are bound to regard hon. gentlemen opposite as the authors of their own work; constitutionally we are bound to regard them as statesmen, and not megaphones. And so when the financial critic of the Opposition rises to deliver his views in reference to the Budget he binds his party in this House and out of this House for weal or for woe—and I think that in this instance it was mostly for woe.

It seems to me that the Budget presented by the Minister of Finance, especially when you consider the conditions under which it was brought down, is the most encouraging and the most courageous Budget ever brought before this Parliament. A Finance Minister who could announce in one Budget the floating of loans at more favourable rates than are secured by the wealthiest countries in the world; could announce that we have overdrafts nowhere and trade balances both at home and abroad; could announce the greatest aggregate trade in the history of the country; could announce a surplus of $45,000,000 and a trade balance in our favour of $200,000,000, it seems to me is a Finance Minister who might fairly expect words of congratulation even from very much less generous people than hon. gentlemen opposite. But no words of congratulation, no words of commendation, have fallen from the lips of hon. gentlemen opposite, so far as I have heard, certainly none from those of the hon. gentleman who prides himself on his fairness, the financial critic of the Opposition. From him we have not a word that would even savour of congratulation or commendation for the Minister of Finance.

I wish to point out that in his general public uterances there has been a marked change in that hon. gentleman (Mr. A. K. Maclean) in a few years. I have noted in his speeches on successive budgets the development of a wonderful religious spirit. There was a time, when he sat on this side, when he paid little attention to divine agencies and exalted and magnified the human. This sin clung to him even after he went over to the other side of the House. Let me quote what he said in 1912 when speaking on the Budget:

> Increased imports and exports, a buoyant revenue, a great increase in our immigration and commerce are all indications to a remarkable degree of our prosperity, and I trust are the tokens of a still greater future for this young country. We upon this side of the House follow with considerable interest the successful operations of the many political programmes or policies initiated by the late Government, and I am glad to observe that the continuation of this programme or policies in the hands of hon. gentlemen opposite is even productive of good.

You see it was the Government—it was human agency that was responsible for all these benefits, and it was only because the Government followed the practices of hon. gentlemen opposite that the sun shone and the harvests were bountiful. In the next year, in his address on the Budget, he said:

> I think I shall be able to show that the Government deliberately and in the face of warning brought about our present financial condition, that they never did and are not to-day making an effort to maintain the equilibrium between revenue and expenditure and place public expenditures upon a sound basis. They are almost entirely responsible for our present financial position.

Again, the Government is responsible. But, apparently, the vicissitudes of opposition have had an effect upon him, they have melted his stony heart, broken down the middle wall of partition; and so this year, speaking on the Budget, he shows almost a Christian spirit, and says:

> After the passing of almost a year hon. gentlemen opposite will agree with me that this prediction was idle, as was expected, and that any stimulation that came to Canadian industry or any relief that came to unemployment was not the result of the tariff taxation of last year, but one of the incidents of the world wide calamity, and further that any stimulation that came to Canadian agriculture was due to the efforts of men and the blessings of God, not to the tariff of the Minister of Finance.

The right hon. gentleman who leads the Opposition had at one time the same weakness as my hon. friend the junior member for Halifax. He used to claim credit for the very sunshine and for bountiful harvests, and it was only in deference to the religious sentiment of this country that he finally did admit Providence into partnership with himself.

On this side of the House we have never failed in that regard. This Liberal-Conservative party has always recognized its dependence on Providence. But it has always recognized also the truth of that principle that Heaven helps him who is willing to help himself. And if ever there was a Government that had fulfilled that condition precedent to divine assistance, it is this Government; if ever there was a Finance Minister who could claim credit for prosperity, it seems to me it is the present Finance Minister. A Government that, in the first place, started the campaign for greater production; a Government that gave the farmer consideration in its tariff; a Government that educated the farmers to produce more, and actually advanced to the farmers in the West $13,000,000 to aid them in buying seed grain—it seems to me that such a Government is in a position to claim some of the credit for the bountiful harvest which has blessed this country. This is a case of a Governernment scattering plenty o'er a smiling land, and of Providence blessing, and bountifully blessing, the work of its handmaid.

I think, however, that the features of the Budget which call for particular satisfaction on the part of the people even more than the splendid indications of prosperity that it discloses, are its tax features. In the past, in this country, it has been the poor man who has paid the taxes, and the big interests which make and break Governments have been almost exempt. That is so even in our municipalities—the small holder of property is usually taxed to the limit, while his wealthy brother escapes with very little taxation. For the first time in the history of this country a Minister of Finance has had the courage to put forth his hand upon the great, and to tax the people who had the money to pay and who were getting something out of the country. It required courage, it required sagacity to do that; and I believe the people will give the Finance Minister great credit for what he has done. Hon. gentlemen opposite have a new found solicitude for the business interests in this country. The Liberal party in this country has never been fair to the business interests. They have always referred to them as the mergers, the trusts and the combines. They have even gone so far as to refer to them as porch climbers, and any consideration which this Government has been able to give to the business interests in protection from their rapacious competitors in the United States, they have been able to give only at the bayonet's point, only after the most severe opposition from hon. gentlemen opposite. I say the Liberal party has not been fair with the business interests in this country, but the greatest injustice the Liberal party in this House has ever done to the business interest is to doubt its willingness at this juncture to pay these taxes. I believe that the business interests in this country realise that they get more out of this country by way of protection than the smaller earner of income, whom hon. gentlemen opposite would tax. I believe it realizes it is up to it to pay more towards the maintenance of this country than does the small income earner, and I believe the business interest will gladly do this. I believe that when the business interests consider the fact that business interests in Germany are paying fifty per cent in order to keep up a despicable and detestable tyranny in that country, they will regard it as a privilege to contribute one quarter of their earnings over seven per cent to keep up and maintain and protect the most glorious and free institutions that the world has ever seen. The hon. member for Halifax protested that seven per cent was not enough for a business interest to receive upon its invested capital, and he said it was unfair to tax the overplus on seven per cent in order to maintain the institutions of this country. These words of

his bound the Liberal party, as they were uttered by the financial critic of that party, but it is no wonder that my hon. friend from Medicine Hat (Mr. Buchanan) refused to agree to them and protested his unwillingness to accept that doctrine. The hon. member for Halifax contended that this tax would discourage the investment of foreign capital in this country. I say that any foreign investor of capital who would be unwilling to invest capital in this country with a prospect that he
5 p.m. be obliged to contribute towards the support of the country only one-quarter of what his capital earned him above seven per cent is a pretty good kind of investor to keep clear of. I think that we do not want that kind of investor in Canada—he has too big an appetite for this Canadian land of ours.

Then the hon. gentleman showed a great deal of concern for the Canadian Pacific Railway. Several of the hon. gentlemen opposite have shown a marked solicitude, a new-found solicitude, for the Canadian Pacific Railway, and once again it strikes me that they are more solicitous for the interests of the Canadian Pacific Railway than the Canadian Pacific Railway is for itself. I believe that, owing to causes produced by this war, owing to the fact that they have carried a great many troops and an immense amount of supplies for the Government, that their telegraph systems have earned a great deal more because of these war conditions, and that their railway lines have made enormous profits out of freight rates, the directors of the Canadian Pacific Railway will be the first to admit the justice of their contributing a portion of these extra profits towards the maintenance of this country. No institution in Canada, I believe, has done more to develop the Dominion of Canada than has the Canadian Pacific Railway; and no company in Canada has received more benefit from its development than has this same company. It was not many years ago that the country looked to the Canadian Pacific Railway to perform a great national task, looked with confidence to the Canadian Pacific Railway to perform a task of inestimable importance to this country, and in spite of the sneers and the scorn of the Liberal party of this country, from the Pacific to the Atlantic, the Canadian Pacific Railway went forth and discharged that duty. At the present time the country looks to the Canadian Pacific Railway to do its duty again in a cause only more serious, and I believe they will not look in vain. It is abundantly clear from this debate that the Liberal party in Canada has decided to throw down the food producers in this country, the farmers and the fishermen. There was a time when hon. gentlemen opposite were on very good terms, or pretended to be, with the producers of foods in this country. They were the great friends of the farmer and, true to their policy of stirring up one class against another, they attempted to stir the farmer of Canada up against the inhabitant of the city, the employee in the industries; and they tried to make the farmer believe that he was being bled white by the manufacturers, by the city men. Fortunately, to the credit of the farmer be it said, they were unsuccessful in that effort. The farmers and the fishermen of Canada recognized the fact that there must be various classes of people in this country if this country was to strive, that there must be factories as well as farms; and they refused to yield to the appeals of hon. gentlemen opposite, and hon. gentlemen opposite, in despair, have decided now to change their tactics. The hon. member for Halifax frankly admitted a year or two ago that he had taken a census of the two and found in Canada more consumers than producers of food; and so his party has decided to throw down the producer of food, the fishermen and farmer, and to make a strong bid for the votes of the consumer. So he has discovered that food, farm products and fish, are too expensive in Canada, and too expensive by reason of the taxes and duties, and he says that if these duties were removed these foods would be cheaper. That is the policy that hon. gentlemen opposite now present to the country. In this particular debate it is the matter of potatoes that claims the attention particularly of the hon. member for Halifax. He expressed a great deal of scorn and indignation at the Minister of Finance for not exercising the power which he has of suspending the duty on potatoes and allowing American potatoes to come into this country free of duty, in order that the price of potatoes might be reduced to the consumer. Potatoes are expensive in this country at the present time, particularly in eastern Canada, for the reason assigned yesterday by the hon. member for Prince, P.E.I. (Mr. Hughes).

Potatoes are expensive in Canada to-day because of the fact that last year there was an almost total failure of the potato crop. There were only about one-quarter of the potatoes grown in Nova Scotia last year that are usually grown there, and by reason

of that fact the price is just twice as high as it was last year. The loss which followed from a shortage of the crop is made up half by the farmer and half by the consumer. Is that not perfectly fair? But my hon. friends opposite would put the entire burden on the farmers, and would compel them to sell the potatoes at the price which they would have got if the crop had been a full one. Is that fair to the farmer?

My hon. friends opposite object very seriously to the imposition of an increased tariff on apples. The hon. member for Halifax (Mr. A. K. Maclean) objected to the imposition of this duty on the ground that it will not benefit the fruit growers in the province of Nova Scotia. Even if that assertion were correct, I would conceive that it might still be in the interests of the people of Canada to impose such a tariff, because I believe that, in these matters, there should be no sectional or provincial feeling, but that they should be judged from the standpoint of the greatest good to the whole community. But my hon. friend is absolutely wrong when he says that the imposition of an increased tariff on apples will not benefit the condition of the fruit growers in Nova Scotia, I am prepared to admit that the fruit grower in Nova Scotia stands in a somewhat better position than the fruit grower of Ontario or of British Columbia. I believe that apples can be grown more cheaply in Nova Scotia than in any other part of the country, and I believe that they can be grown better. Besides, the apples of Nova Scotia are grown nearer to a great market, the British market, and therefore it is quite possible that the fruit grower in Nova Scotia does not need protection so much as the fruit grower in other parts of Canada. But the prices during the last few years have gone down, and there is no money in fruit growing at the present crisis, and that fact has convinced them that there is a necessity for some such step as has been taken by the Minister of Finance. I have had a number of letters from fruit growers in Nova Scotia all of whom are entirely in favour of the change and heartily grateful to the Minister of Finance for proposing it.

I think, Sir, that it is a tremendous tribute to the statesmanship of this Government that they have shown so much concern for the farmer. I do not believe that any government in the Dominion of Canada, ever showed as much concern for the farmer as the present Government have shown, and I think that that fact is very much to its credit, and a very great tribute to its statesmanship at the present time. If this country is to recover from the strain of this war, if it is going to be a great and glorious country, as we believe it is, its greatness and its glory must, at first, be largely achieved by the development of agriculture. We have great agricultural possibilities, and as soon as we can induce our own people to flock to the farms in greater numbers, as soon as we can attract greater immigration from abroad to the farms, our country will begin to prosper. The Government cannot be better employed than in developing rural mail deliveries and parcel post, and in building good roads and extending the other favours that the present Government have extended to the farmer. They cannot be better employed than in making the agricultural industry popular with the people, because there is a great deal of truth in the statement of the American orator that if you burn down the cities and leave the farms, the cities will spring again as if by magic; but if you destroy the farms, it will not be long before the grass will grow in the city streets.

Hon. gentlemen opposite object to an insufficient reduction of expenditure by the present Government. A Government should keep a level head in respect to such matters at the present time. Often it is the poorest economy to cut down expenditures; there is truth in the saying that too rigid an economy is often the greatest extravagance. The hon. member for Halifax stated that the credit of this country was being destroyed by the fact that the Government were not making more radical reductions in expenditures. I would like to have asked the hon. gentleman, if he had been present, if he really thinks that this country would improve its credit by allowing its public works to fall into disrepair, by allowing them to remain unfinished, or by breaking contracts. I would ask hon. gentlemen opposite if our credit would not be injured by that sort of procedure rather than by going forward in a sensible and courageous manner to finish those public works. My hon. friend from Halifax gave an instance to show that the increased expenditures were affecting our credit prejudicially. This is what he said:

> When the Minister of Finance made his loan of $45,000,000 in New York last July, I understand that J. P. Morgan & Company sent their representatives here to investigate the revenues and expenditures of the country. Street rumour has it that they were astounded at the vast sums of money expended in this country for unproductive purposes.

That is what the financial critic of the Opposition, speaking for his party, said in this House. There is no hon. gentleman on the opposite side of the House who makes a greater pretense to be fair than the hon. member for Halifax. Had the hon. gentleman believed the truthfulness of this rumour it would have been hardly dignified, or patriotic to have quoted to the detriment of his country's credit without careful investigation. But as a matter of fact, the hon. gentleman had under his hand at the time evidence to show that this street gossip, if it existed, was absolutely wrong. What are the facts? After Mr. Morgan, or his agents, had made the investigation which they are reported to have made, he loaned this country money on most favourable terms. The bonds of this country were bought by him at a price, I think, from 99¼ to 99½, and only a few weeks afterwards, when the Anglo-French loan was floated, the combined credit of France and Great Britain could only command from this same capitalist a price of 96¼.

That proves conclusively that there was absolutely nothing in the street rumour, and it is a splendid tribute to the credit of this country, and to the way in which this loan was managed, that these Canadian bonds sold at a much higher figure than bonds of two such great financial powers as Great Britain and France.

One of the methods of reducing the expenditure which my hon. friend suggested was to curtail the advertising. He said that too much money was being distributed among the papers supporting the Government. I wish to say that in my judgment advertising is a poor item to practise economy on. I think that every business house in the country will agree that this is the last thing to curtail in. I know of no Government that ever invested money more wisely in advertising than did the present Government last year. How did they spend that money? One item of expenditure was in regard to advertising the advantages of the apple, in order to encourage the use of apples. Will hon. gentlemen say that that expenditure should not have been incurred? Another expenditure was incurred in conducting the "patriotism and production" campaign. Will the hon. gentlemen object to that expenditure? In speaking of unnecessary expenditures, the hon. gentleman says:

> For instance, witness the large amount disbursed last year for advertising and printing to the press which supports the ministry.

Why did he confine criticism to the distribution of money to the press which supports the Ministry? I would like to ask hon. gentlemen opposite if money paid to the Government press is any greater strain upon the treasury than money paid to the Opposition press. While hon. gentlemen opposite have no objection at all to money being distributed amongst the Opposition press, they have a great deal of fault to find with the distribution of money amongst the press which supports the Government.

Mr. CARROLL: How much was distributed to the Opposition press?

Mr. DAVIDSON: I am not able to tell the hon. gentleman how much, but it was a very considerable sum, and I can tell him also that the very gentleman who made the criticism, the hon. junior member for Halifax, was one of the beneficiaries of this kind of advertising and that both of the papers owned by him, which are very much opposed to the Government at the present time—whether they are doing the Government any harm or not is another question—have received considerable amounts on account of advertising.

The hon. gentleman also asserted that the Post Office Department should be run in a much more economical manner I want briefly to refer to the items which account for what may be regarded as increases in the post office expenditures. I find that the expenditures for the year ended March 31, 1915, were greater than the expenditures for the previous year by about $3,000,000. I find that this increased expenditure is practically accounted for by four items: conveyance of mails by land, conveyance of mails by railway, salaries by cheques, and rural mail boxes. These four expenditures account for an increase of $3,068,214.73. Let us examine these items. First, there is the conveyance of mails by land. What was the cause of that expenditure? The cause of that expenditure was the introduction of rural mail delivery. Will hon. gentlemen object to that? As a matter of fact, when the proposal was before the House hon. gentlemen opposite did not give it their opposition. The second item is the conveyance of mails by railway. That is due to the introduction of the parcel post. For a number of years the railway companies had been claiming that the basis upon which they were paid was unsatisfactory. That matter went along for quite a while, but with the introduction of parcel post this Government had to

make new terms with the railway companies, with the result that this expenditure was incurred. But hon. gentlemen opposite did not object to the introduction of the parcel post system. Another item is in connection with salaries paid by cheques to outside officials of the department. This increase was due to two or three Acts which passed this House since the change of Government, providing for increased salaries for outside employees, and no member on the other side of the House voted against one of these Bills. The fourth item is for rural mail boxes, which the Government have purchased to the amount of $450,000, and which sum they will get back again from the users of the boxes. Hon. gentlemen opposite talk about being fair. Personally I try to be fair, and I admire fairness in debate, but the brand of fairness that prompts hon. gentlemen to support legislation in this House calling for expenditure, and which then leads them to criticise the Government for making the expenditure under such legislation, is a brand of fairness that will not appeal to this House or to the country.

I am amazed at hon. gentlemen criticising particularly that item of expenditure in the Post Office Department under the head of "Conveyance of mails by land." They contend that these contracts now are let at enormous rates, without competition, and that they are let to others than the lowest tenderers. I can speak but for my own constituency, but in that constituency there is not a case where a contract for carrying the mails has been given to other than the man who agreed to do it for the least money, and I do not believe there is any hon. gentleman opposite who can cite a solitary case to the contrary anywhere in Canada. I believe that in every instance the contracts have been awarded by the Post Office Department to the people who have agreed to carry the mails for the lowest amount. After all, do hon. gentlemen want to make this country believe that the mail couriers are getting too much for their services? If there is one class of people in Canada who are underpaid, it seems to me that they are the people who carry the mails. Hon. gentlemen opposite have a great deal of sympathy for companies with a capitalization of over $50,000 who do not get more than seven per cent on their investment, but I would like them to point out to me in all Canada a single mail courier who gets seven per cent upon his investment. Hon. gentlemen have oceans of tears for interests with a $50,000 capitalization who do not get seven per cent upon their investment, but they have not even a sigh for the poor courier who, in rain and shine, in winter and summer, bumps over the rocks in some cases for fifty cents a day. This is not the first time we have heard hon. gentlemen opposite complain of the Government's extravagance, and demand a reduction in expenditure. Only a few months before this war broke out, when the Minister if Militia, with prophetic vision, was trying to prepare Canada for the calamity of war in which we are engulfed to-day, hon. gentlemen opposite from the member from Halifax down, criticised the Government for its militia expenditures. They occupied the time of this House for hour after hour, criticising the Government for introducing the military system into Canada, and protesting against the expenditure on the militia. I do not wish to say that hon. gentleman were disloyal in that course. I do not believe they said what they said with a full knowledge of the seriousness of it; but I think they are bound to admit now that they were wrong; that the words they used on them if they had any effect at all, had the effect of throwing obstacles in the way of the Minister of Militia, who was patriotically going about his duty of preparing the country for the peril. And I think hon. gentlemen opposite ought to reason with themselves that if their utterances on that occasion were so exceedingly unfortunate, there is also a very strong possibility that their words to-day may be equally mischievous.

The other night we listened with a great deal of pleasure to the eloquent remarks made by the Minister of Trade and Commerce, and it strikes me that what made those words of his grip our very hearts was the fact that they were in agreement with every public act of his, with every public utterance he has made during his long and useful public career. I think hon. gentlemen who heard those words of eloquence and high resolve must have been reminded of other words which the Minister of Trade and Commerce had used only a few months before in closing an important speech in an important debate:

> In the event of such a contingency, and if the day of Armageddon came and caught us napping, I would like to have the consciousness that I am free from the remorse which would lie heavily upon me if I had been party to or contributed in that fatal delay.

Mr. Speaker, Armageddon is here, and there is no responsibility on the Minister

of Trade and Commerce, there is no responsibility on this Government, there is no responsibility on members on this side of the House. But what about the other side of the House?

Mr. MICHAEL CLARK: What about Drummond and Arthabaska?

Mr. DAVIDSON: Does not the hon. member for Red Deer realize that a tremendous responsibility rests upon him?

Mr. MICHAEL CLARK: I think a great deal more responsibility rests upon the Minister of Trade and Commerce for his action in the Drummond and Arthabaska by-election.

Mr. DAVIDSON: If in the light of what has taken place, if the hon. member for Red Deer and other hon. gentlemen opposite do not possess remorse, I say the Opposition are a lazaretto of incurables whose sensibilities have been deadened by a leprosy, and I am afraid their case is hopeless.

Mr. TURRIFF: Why did you dismantle the Niobe?

Mr. DAVIDSON: Because, like the opposition that is put up by hon. gentlemen opposite, it was absolutely no good and of no benefit whatever. I am sorry if I have said anything to cause heart burnings among hon. gentlemen opposite. If they would only admit their folly, I would forgive them with a glad heart. Notwithstanding the mistakes hon. gentlemen opposite have made in the past, and which in their heart of hearts I believe they sincerely grieve over now, the country, thank God, is to-day united from the Atlantic to the Pacific, united in consciousness of our right, united in loyalty to the Empire, united in the determination to endure whatever hardships may come before us until the day of victory dawns.

Mr. LUCIEN T. PACAUD (Megantic): Mr. Speaker, I have listened with curiosity, if not with surprise, to the speech of the hon. gentleman (Mr. Davidson) who has just taken his seat. I had previously listened to a speech delivered this afternoon by the hon. member for Rimouski (Mr. Boulay), and it is this latter speech which I should like to answer in a few words. It strikes me that, were we to analyse the speech of the hon. member for Rimouski, there would be perhaps only three observations to make. In the first place, the hon. member was against the participation of Canada in the wars of the Empire before the war started; to-day, when the war is on, he tolerates its existence, at which I am sure every hon. member will be very much gratified; and thirdly, the observation which seems to crown the other two is that he intends to continue to support the Government as he has done in the past, without any wavering and without any scruples of conscience. As this is the first occasion I have had of speaking in this House on the great issue which overshadows all others to-day, perhaps I may be permitted to lay special stress on a few considerations which have impressed me still more deeply since the beginning of this debate. In the month of August, 1914, at the very outset of the greatest conflict known in history, the Canadian people, listening alike to the voice of reason and of sentiment, did not hesitate in the course which they intended to follow. Every province of this Dominion came forward spontaneously and patriotically and offered their best in men and in money. They understood, Sir, that if civilization, if justice, if liberty as we have conceived it, were to be maintained as the guiding star of our future destinies, a new and powerful enemy which had challeneged these lofty conceptions of human standard and opposed to them a new creed as hollow as it was barbarous, and which may be summarized in three words "Might is right," had to be crushed and crushed forever. In a word, we knew and felt, as we know and feel to-day, that in entering into this great struggle Canada was fighting not only for Canada, she was fighting not only for the Empire, but, above all, to maintain in this world all the great moral forces menaced, imperilled, and opposed by the German conception of "brute force." But, while from the very first our vision has been clear as to the justice of our cause, and as to the part we must take to insure its ultimate triumph, the speech delivered by the hon. Minister of Finance in this House a few days ago has revealed to us a situation which, if not sufficient in its gravity to deter us from our course—our national character knows not such weakness as to be deterred from the true course—has nevertheless stirred the public mind of this country to demand a radical and immediate change in so far as our national expenditure is concerned.

Let us stop for a moment to consider a single feature of the financial statement. We shall have added to our public debt in the short space of three years the enormous sum of $485,000,000. To understand the true meaning of these figures we can do

no better than to compare them with the public debt of Canada in 1914, just previous to the war. The public debt at that time, which represented all our capital expenditures, which represented the cost of most of our great national enterprises, which covered a period of over fifty years of our national life, reached only $335,000,000. In the space of three years, at the end of the fiscal year 1917, the public debt will, in all probability, have reached $1,000,000,000, with the corollary that we shall be obliged to raise annually nearly $50,000,000 to meet the interest on that debt. In the face of such enormous expenditures is there not good reason for the serious reflection of every member of this House? Are we not justified in pleading with the Government for economy and for still more economy in so far as our civil Estimates are concerned? This appeal was made to the Government last year; it is repeated this year with equal force and with equal justification. The Minister of Trade and Commerce (Sir George Foster) a few days ago admitted, in his admirable and eloquent speech, that there were expenditures now, that there had been expenditures from Confederation up, which had been put in the Estimates, which had been passed by this House, which had been carried by this country, but which were neither useful nor expedient. If such expenditures, if such waste of the people's money were tolerated in the past, we were surely at fault; but, to-day, in this our hour of trial, when the people of Canada are more heavily taxed than they have ever been taxed before, when the sword of Damocles seems to hang over the head of every business man in this country in the form of new taxation, unjust, unfair and arbitrary, as during this debate it has been proved to be, it would be no less than a crime to continue in the old system which appears to us to-day in its true and hideous colours. Yet the Government continues in its extravagant course. For the coming year the Estimates for our ordinary expenditures will reach the sum of $159,000,000, the largest figures since Confederation. The hon. junior member for Halifax (Mr. A. K. Maclean) demonstrated clearly that millions of dollars could be saved. He singled out in the Estimates items which should be set aside; he mentioned others which should be considerably reduced; but there is an old saying which seems to apply to the present Government: "There are none so deaf as those who will not hear." The Government should, in the face of a national crisis, have the courage to rise to a height where the evil influence of party patronage will lose its sway and relax its grip; or, will the Government continue as they have been doing in the past, alternating between a menace and a submission, one day full of fight, threatening the Canadian people with a general election, very much against their will, the next day miraculously transformed, having become so meek and mild that they cannot muster sufficient courage to shoulder in whole or in part their responsibility in the creation of our shell committees. May I suggest that this continual vacillation on the part of the Government is not at all in keeping with the strenuous times which we are now confronting.

I now come to another point. I have heard it said and repeated many times that the province of Quebec has not done her share in this war; that she has not lent a sympathetic ear to the appeals of the recruiting agent. This asertion is false; it has no foundation in fact; it was launched and spread throughout this country by a few, fortunately only a few, whose narrowness of mind is a continual danger to our country. In a previous debate we heard what the province of Quebec had accomplished in this war, and it is needless for me to repeat it. It is sufficient for me to tell this House that my province has remained true to herself; that her devotion and loyalty to the British Crown has not wavered; that she is in this war with all her heart and soul. Let us not minimize the part that the province of Quebec has taken in this war. Let us in this country, on the contrary, welcome with pride the part that the old province of Quebec has played. If the facts were known, I think that every hon. member would accept the statement that I have just made.

For six years the province of Quebec witnessed the bitterest of political agitations. The French Canadians were told, day in and day out, that Canada should not take part in any wars of the Empire, but that the obligations of our country were limited by our own boundaries. This was the language used; these were the sentiments uttered; these were the doctrines of the Nationalist party. This campaign of hatred and prejudice may have succeeded in winning a few more votes, it may have resulted in the downfall of a political party, it may have helped this Government to attain office; but let us take off our hats and be

proud that the French Canadians had a loyalty which these gentlemen could not shake.

Who were the leaders and who the followers of that party? Let us go down the long and well-known list. It is hardly conceivable, and yet it is true, that in this list we find two cabinet ministers, representing the province of Quebec in this Government, sharing in the responsibilities of conducting this war, and pursuing a policy which for six years they had openly and violently criticised and condemned. In this list we find at least twenty members sitting in this House, supporting this Government whom they were sent here specially for the purpose of defeating. I touch upon these points, not for the purpose of raising old issues—this is not the time for that—but to show what difficulties had to be surmounted in my province, what prejudices had to be overcome; and to show also what doubts have arisen in the minds of those who live in my province, when they see that the men coming before them are speaking in favour of taking part in this war are now the happy possessors of cabinet portfolios, who when they were ordinary representatives of the people condemned absolutely the very views that they are propounding to-day in the province of Quebec. The hon. Secretary of State (Mr. Blondin) has not yet told us in this House by what means he achieved the remarkable feat that has marked him out in our province as a political acrobat of no mean talent. The Minister of Inland Revenue (Mr. Patenaude) on the other hand, has tried to explain. He spoke, but his words did not convey to us that which we had the right to expect, a full and sincere confession. He preferred to draw a veil over the many political heresies which he had propounded in the province of Quebec; and he concluded his remarks with a plea to the House and to the country for us all to forget and forgive. No, the province of Quebec will not forget, nor will it forgive. The day of chastisement has not yet come. I know the old province of Quebec well enough to know that it will remain true to its past traditions. It will not be turned from its course by any just anger it may have against these ministers who misrepresent it in this Government or against the members behind the Government. The people of Quebec will continue to fight for Canada and the Empire. But the day will come when the cannon's roar will cease, when the threat of German world-dominion will be a thing of the past; the day when Canadians will enjoy peace, liberty and freedom at home, and the people will get together to work for the upbuilding of our common country; when the English and the French languages will be put on the same footing and will be taught freely without difference. And when that day comes, the day when we shall enjoy in this country the blessings of that happy culmination of liberty regulated by law, and law enlightened by liberty,—then, I say, will come the day when just punishment will be meted out to those who so richly deserve it.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

Mr. PIUS MICHAUD (Victoria, N.B.): Mr. Speaker, I followed with great attention the speech of the hon. member for Rimouski (Mr. Boulay) this afternoon, and I must say that I was at a loss to understand his views on the important subjects dealt with in the Budget. The hon. member for Rimouski seems to represent the views of his electors every time he speaks against the Government. When he speaks he finds fault either with the individual ministers or with the general policy of the Government, but when the time to vote comes he gets up and votes for the Government. It appears to me that when he is speaking in the House he represents the views of his electors, but when he is voting he represents the views of the hon. member for Rimouski. My hon. friend has taken the trouble to state that he visited St. John during the past summer and inspected the port there. He has visited and has seen many things, and there are many things he has not seen; there are many things he has seen and not understood, and no doubt while he saw the port of St. John, he did not understand whether it was a good seaport or not. The Minister of Marine and Fishery may not have understood all that my hon. friend said about the port of St. John, but I feel sure that the hon. minister will be able to look after that port when the time comes. There is one thing that we may always expect from the hon. member (Mr. Boulay), and it is that he will be glad to and ready to vote a big estimate for the development of the port of St. John every time he has an opportunity. I followed closely, also, the speech of the hon. member for Annapolis (Mr. Davidson). I was amused at his remarks in reference to the hon. member from Maisonneuve (Mr.

Verville). My friend from Maisonneuve represents the labour class in this House, and this afternoon he delivered a thoughtful and earnest address upon the subject of the extremely high cost of bread and the hardship it entailed on the working man; but yet my hon. friend from Annapolis said that the hon. member had not obeyed his mandate as a labour man in this House. I can assure the hon. member from Annapolis that the hon. member for Maisonneuve will return to this House next Parliament, and that there is a great probability that there will be more labour members, from the province of Nova Scotia, in that Parliament.

I was much interested in the remarks of the Minister of Finance during his Budget speech, but I shall discuss only a few of the important subjects which most deeply concern the country at this hour. We have lately been spending large sums; we have been sending our soldiers to the front and taxing ourselves for that purpose, and our generosity has no limit. We are again called upon to tax the Canadian people heavily in order to meet the heavy expense of keeping our soldiers at the front. Canada is better known to-day than before this war, simply because in Flanders and in France no nation striving for liberty and freedom has done more than our Canadian soldiers. Soon there will be an end to this great struggle, I hope, and what have we done to prepare for the return of our soldiers? Many speeches have been delivered in the country during the last summer by the ministers, and not one of them omitted to point out the great importance of having a large immigration come to Canada after the war. Before we look for immigration into this country after the war, we should put the country in a good financial position, we should look after our natural resources and prepare to take care of the widows and orphans of our soldiers on the conclusion of the war. I have been interested since the war began in what I may term national economy. Go into any city in Canada to-day and you find no difference in the way of living amongst the rich class of people, the class of people who have a fair revenue from year to year. It is the poorer class of people who are making the greatest sacrifices during this conflict. It is the poorer people who are really bearing the great burden of the war. We have increased the cost of their living by increasing the tariff, but we have never for a moment thought of increasing their salaries or wages in order that they may bear the increased burden of the cost of living. The sons of the labour man and of the farmer are in the majority in the trenches to-day. A great number of them will soon come back, I hope, and what arrangements have we made for them on their return? The attention which is to-day being devoted to immigration should be given entirely to these returning soldiers, their wives and their children. It is the children of our soldiers who will, in the near future, partly decide the destiny of this country. Among the soldiers who have enlisted from my own town there are two who have left families, one of eight children and another of seven. All they have for their support for the moment is the pay of their fathers and what is given them from the Patriotic Fund. For the present that is very satisfactory; but let us look into the future. What happens to these children if their fathers fall on the field of battle? They will have mothers who are poor, left to look after them, and I say it is a deplorable position for these families if the country does not at once take steps to look after them. Let us not depend too much on immigration from Europe after the war. The soldiers of Britain, France, Belgium, Serbia, and other countries who have joined the Allies, will not be permitted to come to Canada after the war. Those who are between the ages of 18 and 45 will be needed at home, they will have to return to the soil and to industrial pursuits. They will have to rebuild the country devastated by the enemy, and I predict that for a long while we in this country will have a very small immigration. We do not want any one above the age of 40 or 50 coming into the country, not do we want any one below 18. We do not want orphans and widows, and I repeat that we will be greatly disappointed in our expectations of immigration after the war from the countries now engaged in this struggle. What will be our financial standing after the war? A year from now we will have a debt of one billion dollars.

What is true of the different nations of Europe is also true of Canada in reference to what will happen after the war. I have in my possession the opinion of an American subject. It is given in an article entitled "A Glimpse at the Future," and is as follows:

> The demand for capital will not increase (in the aggregate) in Europe after the war, but will decline. It will decline absolutely, far more than the supply. For this reason interest rates will more likely fall to a low level and remain there for a long time, rather than rise or even hold at the relatively high levels ex-

isting during the actual hostilities while the government are floating their big loans. A "demand for capital" means a producer whose market has so broadened that he can profitably borrow money to increase his producing capacity; or it means that his customers are buying so freely that he needs to carry a larger stock of goods. In short, it means, for business generally, an enlarged demand for goods. Now the direct effect of war is not to increase demand or buying capacity, but rather to impoverish a country to such an extent that people everywhere buy less of everything. In consequence, producer, dealer and transporter all have less to do, and because of this none of them need much or any new capital. Consequently, demand for capital falls flat and interest rates range at low levels.

If this is the case, it is another reason why we should go slowly when we consider what will happen after the war is over and what is now best to be done. Sir George Paish said lately:

> The money which has not been saved constitutes an enormous loss. That may be said to be gone for ever. The loss of the greater part of the world's entire savings for even eighteen months is a very serious matter and its seriousness will become more and more intense the longer the war lasts and the period of loss extends.

I say then, Mr. Speaker, that when war was declared, this Government should have given an example of economy. Parties found guilty of handling improperly public money should have been punished. The man found with goods belonging to the Canadian people should be punished. Companies organized for the purpose of manufacturing munitions of war at a profit greater than that of an ordinary business firm should not be tolerated. The high cost of living should be studied, and a remedy at once applied in order to help out those who have not a sufficient revenue to support their families in comfort.

If this war should unfortunately make many Canadian millionaires, it will be a sad page in the history of Canada. The future generation, the sons of our soldiers who are at the front, will be called upon to pay the war debt, and it would be a pity to see them living alongside the sons of millionaires who had made their fortunes out of war munitions.

I read with surprise a report of the failures in the United States during the year 1915. There were 19,035 reported, an increase of 13.4 per cent over 1914. Our big neighbours to the South of us are certainly showing us an example in the matter of preparing for the future and of practising economy. In a country like the United States, which has received from the Allies millions of dollars on war contracts,—and which had only an average crop last year, it is not surprising that the question of the high cost of living has arisen, and it will have to be solved there in the same manner as in Canada.

The Government have endeavoured to do their duty in every manner possible in reference to helping out the Mother Country and the Allies in this great war. The fathers, mothers, young men, and young women of this country are doing all they can. The Canadian people have shown a noble example to the world, and have done their duty with cheerfulness, and in the true spirit of patriotism. We should, Sir, at this very moment study what is one of the greatest questions in Canada to-day, the question of national economy. We should endeavour to find a remedy to meet the conditions that will arise after the war. We will certainly do ourselves a great injustice if we do not prepare just now for the future. We are not anxious to disturb the public mind, but the public mind has been disturbed already by the high cost of living, and if a remedy is not applied immediately we will have, in the future, great hardships amongst the poorer classes of Canada. When the times were prosperous a man earning $1.75 or $2 a day could very well afford to pay for the necessaries of life, but now he is earning $1.50 and $1.75 a day and has to face an increase of between forty and fifty per cent in the cost of living. So that, if things go on in the same way, we will be called upon before long to take down the wall of protection and to give free entry to foodstuffs into Canada in order to meet the requirements of the poorer classes.

At the beginning of the war the Canadian people were rather taken by surprise when our boys were called upon to take up arms and to cross the ocean, but since then there has grown a feeling of determination, and the people have just one object in view, and that is to see our great armies triumph over our enemies.

Hon. GEORGE GRAHAM (South Renfrew): Mr. Speaker, I do not know that I can add anything to what has been said by hon. members on both sides of the House in regard to what is known as the Budget. It is a practice and a right guaranteed to members of a legislative body like ours that in the Budget debate we can roam far afield in the discussion and deal with any question that we think appertains to the welfare of the people of the country.

It is right that that should be so, because on the matter of the speech of the Finance Minister depends the financial future of the country. He is supposed to be the balance wheel, financially, at least, in the Government, and he is expected to keep in subjection the unruly members of that body. Those who desire to spend money which they have not, and which they see no way of getting except by pressing the Finance Minister to make another loan, are supposed to listen to the warnings of the Finance Minister, if he gives those warnings, and to keep the expenditure within the limits which he, in his judgment, says the finances of the country are able to stand. I regret that, with the present Government, either the Finance Minister is not sufficiently strong, or the members are too unruly, because he has not been able to keep them in subjection as far as their expenditure is concerned. Even this session they ask to have a statute passed to expend $28,000,000 more than the Finance Minister tells us ought to be spent. We have tried, as each minister presented his Estimates, to induce him to meet the demands of the Finance Minister by telling the House frankly whether he, in his department, intends to synchronize his expenditure with the statement of the Finance Minister. Up to date no member of the Government has agreed, in so far as his expenditure is concerned, with the statement of the Finance Minister. Even the docile Minister of Justice (Mr. Doherty) refuses to have his Estimates cut down to the extent of $500. When such a quiet-mannered member of the Government as the head of the Justice Department will not agree to have his expenditure reduced even a little to meet the requirements of the Minister of Finance, what, oh what, can be expected of the large spending departments?

The Minister of Finance, in his remarks, dealt briefly and succinctly with questions of vital interest to the country at the present moment, and with the problems that have confronted us, do confront us and will increasingly confront us for some years to come. He spoke of the loan by which Canada borrowed $45,000,000 in the United States. There possibly were two reasons for going to the United States. One reason was to regulate, as far as possible, the difficult question of exchange, and the other was, if I may hint it mildly, that the atmosphere in the Old Land had grown quite cool when it came to borrowing for domestic purposes even by Canada. I believe it is not going too far afield to say that at the time this money was required, it was the opinion of the money market in England that Canada should adopt other means in order to finance her own domestic affairs because the burden on the Motherland in financing herself, in granting the aid which she has given to Canada, and in assisting some of the Allies, was already sufficiently great for even that great centre of financial strength to assume. I am not sure that the Finance Minister made a very good bargain in connection with that loan. I read carefully the terms of the provincial loan by the Hon. Thomas McGarry, and, comparing them, I rather think, to put it in ordinary language, that he got a shade on the Finance Minister in a transaction that he made with the New York financiers. The loan made by the Dominion of Canada in New York was ostensibly a short date loan coming due in 1917, but, as a matter of fact, these securities are negotiable for securities having a thirty-five year term at 5 per cent; so that if the New York investor desires, he can convert his short term loan into a long term one at the ordinary rate of interest of 5 per cent, which means that Canada expects to pay not less than 5 per cent for her money for the next thirty-five years. That is not as good an arrangement for Canada, in so far as the interest is concerned at least, as if it were a short term loan.

Sir THOMAS WHITE: Will my hon. friend allow me to correct him? The bonds mature in 1935, but they are twenty-year bonds.

Mr. GRAHAM: My statement with reference to the term then should be corrected by saying that the bonds are for twenty years. They mature in 1935, but you extend the term of this short loan for twenty years. Then there was the loan of $50,000,000 from the people of Canada. The Finance Minister asked for $50,000,000 but he got $100,000,000. The request that the people should hand into the treasury $50,000,000 met with such a hearty response that they doubled the amount. That shows that the people not only had the money, but they were willing to lend it to the Dominion Government, some of them to withdraw it from the other investments that were paying a higher rate of interest than the Government were proposing to pay which, I believe, is approximately 5½ per cent considering the price of the security. I do not wish to criticise the Government on this point especially but I think it was hardly proper that, having

asked the people for $50,000,000, they should impound $50,000,000 more and make it $100,000,000. I know the Finance Minister will say to me: We sent a notice to every investor that we would allow him to withdraw the amount of his subscription to this loan if he so desired, and thus it might have been reduced to $50,000,000, but that few, if any, did withdraw their subscriptions. One can see at a glance the position in which you place the investor. After having said to the Government: I will subscribe a certain amount, he could not very well, without placing himself in a peculiar position, withdraw that proposition and ask that his subscription should be smaller. I know that no public objection has been taken, and I am not taking serious objection to it, but financial men in discussing it will want to know the next time the Finance Minister asks for a certain amount if he is going to double up on it. They make their arrangements along certain lines and it must be remembered that some of these institutions withdrew investments that were paying a higher rate of interest in order to give the money to the Government at a lower rate of interest.

My hon. friend referred to the balance of trade but I hardly think that he will follow that argument to its logical conclusion. If the argument of my hon. friend be correct, then the longer this war lasts the better off Canada will be. The balance of trade to-day is due to the abnormal condition in which we find ourselves. It is not due to the natural development of trade; no person pretends it is. The Minister of Finance himself, I thought, made the wonderful admission—I think it has been practically repeated by every member who has spoken on that side of the House—that Canada, at the outbreak of the war, was in a critical position financially and industrially.

If I wished to say a word politically, I might say that it was a strong admission the Finance Minister made, that after three years of the management of his Government Canada found herself in a more critical position than she had been since his party was in power before. As a matter of fact, everybody knows we were in a critical condition, both industrially and financially. Then the war broke out, and very large orders came for different kinds of war material. The balance of trade which the Finance Minister pointed to is due to these two things: first, the large crop in the West, and secondly the immense value of the war orders we have received. But my hon. friend may say to me: If you have got the money for the grain and the money for the war munitions, if your theory be correct, why don't you purchase imports and reduce the balance of trade? Sir, the world knows that the money received by Canada during the past year was not used to buy imports for the reason that, in the first place, they had to pay their debts of three years' standing, and secondly, the balance of the money received had to be devoted to the prosecution of the war; it is on account of these two things that the so-called balance of trade is in our favour. After all, this question of balance of trade might be argued for months and years, and it has ben so argued. Under normal conditions, if we import goods to take the place of a certain amount of goods we have exported to a foreign country, we are prosperous rather than otherwise. As outlined by the Finance Minister, we have this year a balance of trade of $200,000,000 in our favour, while some years ago we had an adverse balance. Now, I should like to ask any business man here which period in the history of Canada he would prefer: the present period with the so-called balance of trade in our favour, or the period of much greater prosperity a few years ago, when the so-called balance of trade was adverse. Theorists may theorize, but the fact is that when trade flows freely to and fro between countries, business is in a healthy condition. I do not think much of this balance of trade theory, because we, as a practical people, have to face in our every-day living conditions and not theories, and the history of our country shows that year after year prosperity has come to the high and the low, to the rich and poor, even when the so-called balance of trade was adverse.

The Finance Minister gave us some good advice in his Budget speech, and I know he will pardon me if I read a paragraph to the House. On page 847 of Hansard, speaking of economy and economic conditions generally, he says:

> From this viewpoint it is our true policy to augment our financial strength by multiplying our productive exertions, and by exercising a rigid economy which reduces to the minimum all expenditures upon luxuries and non-essentials. Only in this way shall we be able to make good the loss caused by the withdrawal of so many of our workers from industrial activities, repair the wastage of the war, and find the funds for its continuance. It cannot be too frequently or too earnestly impressed upon our people that the heaviest burdens of the conflict still lie before us, and that industry and thrift are, for those who remain at home, supreme patriotic duties upon which faithful fulfilment

our sucess and consequently our national safety may ultimately depend.

Apart altogether from these higher grounds, it is to be pointed out that in so far as our present prosperity is based upon abnormal prices for our produce and upon the production of war material, it is precarious and transient, and dependent upon the continuance of the war and its conditions. On ordinary business grounds alone, the prudent husbanding of resources, and the wise conservation of profits, are dictated by the plainest considerations of practical wisdom and good sense. It is in the spirit of these remarks that I now approach the consideration of our financial estimates and programme for the coming year.

I agree with every word of that. But the Government do not take to heart the good advice which they and the Finance Minister give to the rest of the people of Canada. They say to us: If you indulge in luxuries cut them out and buy only necessities, be economical; if you have made profits store them away. Now, I will put it to the Finance Minister—but no, I need not put it to him, for he has already admitted the soundness of my argument when he said that present conditions were precarious, and only temporary, and that we should provide for the future. But I will put it to the Minister of Marine, the Minister of Labour, or the Solicitor General: If the ordinary man in Canada ought to take the advice of the Finance Minister and cut out his luxuries would it not be wise for the heads of Government departments to do the same thing, and cut off luxuries from their Estimates? The Minister of Finance has undoubtedly pleaded with them in Council to do so, but they will not take his advice. The Finance Minister tells Parliament and the country that at least $30,000,000 of these Estimates are luxuries. I therefore ask the Government to follow the wise advice of their own Finance Minister, and before they proceed any further with the Estimates to get together for the national good, and cut out the luxuries in these Estimates. As the Finance Minister well points out, it is only by sacrifices that we can hope to bear the burdens of the war, the heaviest of which are still ahead, and in that way only can we hope to retain our position in the world as a country that knows no stopping in its national progress. The Finance Minister, in his Budget speech, estimated the year's expenditure at $160,000,000. We see, however, that the civil expenditure is estimated at $158,000,000, and the capital expenditure at $30,000,000, or a total of $188,000,000. There is, therefore, a chasm between the Finance Minister's Estimate of

$160,000,000 and the $188,000,000 of $28,000,000. When speaking of the Estimates just now I said that, according to the Finance Minister $30,000,000 were luxuries; to be accurate I should have said $28,000,000. I have every confidence that the Minister of Finance intends to keep the expenditure down to $160,000,000; but, if it is true that he intends to do so, why are we, as responsible representatives of the people, asked to place on the statute book a law which gives the ministers a right to expend $28,000,000 which the Minister of Finance says they ought not, in the public interest, to expend. This is a serious matter in any deliberative assembly, particularly at a time of such great stress, when every man, woman and child in this great land is straining every nerve to do his or her utmost, so that the boys we have sent to the front not only may win glory for themselves, but may help to retain for us the great privileges and birthrights for which our fathers fought. We are not living under ordinary circumstances when a great deal of elasticity might be permitted; we are living in a time when we are all doing our best, and if the Government of Canada expects the people to husband their resources and practice the economy which the Government preaches, it ought to show an example and take out of the Estimates the $28,000,000 which there is no need to expend during the coming year.

We have expended more money than we should have expended, and we have had a good deal of discussion about the methods of expenditure in conection with war supplies. I do not wish to dilate on these matters at any great length, because my desire is that we, as a Parliament, should not be divided in the schemes which we are trying to work out for the nation's good. What I am saying, I am saying in the most serious way to endeavour to impress upon the Government what I think to be its duty in this trying time. I need not argue that millions of dollars have been expended that might have been saved. The Government must realize that, and I think no person realizes it more than those who sit around the council board and talk these matters over, and have before them details which we on the outside have not been privileged to see, and only fragments of which have come under our notice. To show that the method of buying war supplies has not been right, I need only call the Prime Minister and his colleagues as witnesses.

It will be remembered that at the outbreak of the war the Militia Department made the purchases of war supplies. The Prime Minister himself came to the conclusion that that method of purchasing was not satisfactory, and almost at the very outset he was so informed by the Canadian Manufacturers' Association. Here is just one paragraph from a letter which Mr. Murray, secretary of the association, sent to the Prime Minister:

> Stories that are going the rounds may have no foundation in fact, but the persistence with which they are being circulated, and the circumstantial detail with which they are being backed up, is creating a feeling of suspicion and distrust that is doing your Government real harm. I am quite prepared to believe that nothing, or at most very, very little, has been done to justify these suspicions, at the same time it would seem wise to remove all ground for suspicion by throwing the business wider open and by placing it in all instances with manufacturers direct instead of through middlemen.

The Minister of Militia in his recent speech in the House said that middlemen came to Ottawa by the score, and we all know that to be true. The Canadian Manufacturers' Association say that it was true, and, as they could not get at the buying department direct, if what Mr. Murray says is the truth, complaint was made to the Prime Minister. A little later on the Prime Minister must have agreed that there was something wrong with the method of purchasing, because he changed it and appointed a sub-committee of council, thus taking the work of purchasing out of the hands of the Militia Department in which it had previously been. That sub-committee took in hand the purchasing of war supplies and it was not long before some one found out that they were not equal to the task. To prove that, you need not take my word; you can take the word of the Government, practically of the Prime Minister himself, because he disbanded that sub-committee in a short time and appointed another, not confining himself to the members of the Government at all. I find that the Prime Minister had tried them all and found them all wanting, and that he said: "If we want to do this purchasing properly, we must go outside of the Government, because it does not seem to be made up of business men at all." Two-thirds or a majority of the board that was appointed is outside of the Government, and the chairman of the board is the hon. member for East Toronto (Hon. Mr. Kemp), Minister without Portfolio. I need not argue that the purchasing for many months was done improperly. The action of the Prime Minister in dispensing with two organizations which he had formed for the purpose, and in appointing a third, proves my case more conclusively than if I talked for an hour. What has happened in Canada has started the Canadian people thinking, and the news which we received this evening shows that they are thinking. The issue in Peel county was solely on the point of the purchasing of supplies in the way of horse-flesh for our boys at the front, and to-day in that comparatively small county in Ontario a change of twelve hundred votes has resulted on that issue alone. What I am trying to convince the Government of at the present time is not of a political nature, but, the fact that the people of Canada have not been satisfied with the way in which the purchase of all kinds of war supplies has been conducted.

Mr. LEMIEUX: It is a hard pill to swallow.

Mr. GRAHAM: In regard to taxation; I admit at the outset that we must find some new method of taxation to meet the great responsibilities and to carry the great burdens that are at present resting upon us, and which, as the Minister of Finance says, will become greater in the future. We need not plume ourselves on the fact that we have what is called a favourable trade balance. In the years to come we shall have to face the most serious condition that Canada has ever faced, a much more serious condition than confronts us at present. We cannot retreat; there is no Canadian worthy of the name who would think of retreating. There must be no retreat by Canada until we gain what we are attempting to gain in this great fight in which we, along with the Allies, are engaged. Our business is now not to act from a party standpoint in the hope of gaining political advantatge, but calmly to try to find how we can get the money which we need and how we can get it from the sources that ought to pay it, and that we need the money goes without saying.

Taxation is never welcome, and seldom is it distributed with absolute equity. Under our municipal institutions the rate of taxation is the same for every tax-payer in the municipality, but even so the taxes may not be equitable as they depend upon the assessment valuation. In most instances, the man in ordinary circumstances pays a little more than his share of the municpal taxes. Mr. A. owns a house and lot that, all told

is worth $1,200 and if it were to be sold to-morrow it would probably bring $1,000. It is a practical house, with no extra finish and fit for the occupancy of a man in ordinary circumstances and the assessor will probably put down the value of that property at $1,000. But Mr. B has a house which cost $50,000, yet he will probably escape with an assessment of $20,000, on the ground —for which there is some reason—that there are so few possible purchasers for a property of that kind that if it were put on the market it would not bring more than $20,000. But that does not alter the fact that the system results in the ordinary man paying more than his relative share of the municipal taxes. I do not believe that we can expect perfect equality in whatever taxation is imposed, but I do believe that the Finance Minister ought not to consider himself wedded to what he has proposed merely because the Government has proposed it. This is apart from and beyond any party measure and it is proposed under conditions that do not permit of partisan discussion of it. The Finance Minister ought to have an open mind on this subject, and if something better is proposed he ought to accept it and welcome it.

With that in mind, I am going to discuss some of what seem to me the glaring inequalities of this proposed taxation measure. I absolutely believe that the Finance Minister intends to change these things. I cannot conceive that he will adhere to his proposition as laid down after the full facts have come to him, as they must have come to him, if not in mail-bags full, at least in letter-boxes full, to say nothing of various deputations. And I want to impress it again on the Government before I leave the subject, that while they are asking the industries of Canada to contribute of their excess profit, they ought at once to cut off their own excess estimates. Let us get together, one paying and the other reducing expenditure, and then the burden will be evenly divided between the payer and the economist, if such there be in the Government. One objection is, that this is a proposal to tax industry while, to a great extent, it omits to tax wealth. Wealth and water escape; industry and integrity get soaked.

Mr. CARVELL: With the water?

Mr. GRAHAM: There is enough water in some of these concerns to soak out a lot of integrity. Let us consider the retroactive principle in this measure. I want it to be distinctly understood that I am not now dealing with any institution that has furnished war supplies and made an abnormal profit. I admit at once, and without a word, the contention that if the retroactive principle were not applied the Finance Minister would not get his money, because, if the Munitions Board is up to its business, then, in the year that is ahead of us, these concerns will not make any excess profit; and so, if the Finance Minister is to get from those who have made abnormal profits from war supplies a fair share of those profits, he must make the law retroactive. In what I have to say I have no reference whatever to those institutions that have made these abnormal profits as a result of the war. I say to the Government, tax them. It is their duty to contribute, and they ought to be willing to contribute a large share of these profits to further the great object we are striving for. But, in doing that, to use the words of an ancient writer, let no man escape. A good many will escape; but of that later. Let me point out to the minister the case of many industries which are not furnishing munitions or war supplies at all. I take one company as an illustration, without mentioning names. In 1912, 1913 and 1914 business with this concern kept getting a little worse all the time, and, before the war broke out, the company owed the bank quite a large amount of money. But the men who were in it were the kind of men that Canada wants. They were real business men. They did not flee for aid to some unknown source when they found they were coming to a time of stress. They did what the Government has not done, they reduced expenditures; they girded up their loins to face the situation. They had to reduce the time of their men to half—but giving all some employment that their families might be kept together. And they hoped against hope that the tide would turn. During the past year the company has made some money on account of the improvement in conditions. They have paid up the bank as well as they could, and to-day they are in a better position. But if the money they took to pay off their indebtedness to the bank is taxed as profit under this measure, these men will have to go and borrow that money, or at least a portion of it, from the bank again. That is not fair to the industry of the country. We ought to face this question, and so levy taxation that the money shall be paid by the men most able to pay it. Under the conditions which I

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have described, the man who carried on the business for years, and who, it may be, has his son in the company with him, may have to go into bankruptcy unless this measure is changed. They have made more than their seven per cent, and they have paid the money back to the bank to which they owed it. They have not got a dollar of money on hand, and if they are compelled to go on their knees to the bank to borrow that money again, it will be unfair to industry, and will be a check to the commercial life of this country.

That is only one sample, and the minister will find that there are quite a number of similarly situated institutions in the Dominion. I cannot think that he has them in mind, and I urge upon him that, in a case of that kind, where a man who has been honestly working and struggling for years has gone to the bank and paid off his indebtedness, or part of it, during the last couple of years, thus enabling him to proceed with his business and keep his company together, that the Bill be so amended that some redress may be given to this man, and that he may escape a taxation which he is not able to bear, and should not be asked to bear. Take another class. Some are under the impression that money put into betterments or held in reserve will be allowed as capital. The proposed measure does not say so, except as to small concerns, such as partnerships. In Ontario most businesses are put into the shape of joint stock companies for convenience, and because that is a better method of doing business. The men at the head of these companies are real business men; they are not mushrooms. Their business has not been carried on for kite flying in stocks, but has, perhaps, been carried on for years, handed down from father to son, carried on with honesty and integrity and with profit to the development of the whole country. What do these men find? Year after year, it being their own business, they did not take the profits and put them in their pockets; they took what money they made, whether it was ten, or twelve, or fifteen per cent, and added betterments to their concerns. They bought new machinery, they were trying to fit themselves to compete with all comers. They built new buildings, brought in new apparatus, discarded old steam engines, and in some places put in electric power, adopted all modern methods of doing business successfully. What do we find under the proposed measure? These betterments, these additions to their business, these improvements that have given employment to men in Canada, and will do so in the future, that have helped to make Canada what she is, a hive of industry; these things will be taxed under the Bill, and twenty-five per cent of the money put into these betterments, if the earnings are over seven per cent, will have to be handed back to the Government as taxes. The people of Canada who have money do not demand that from these people. Those in Canada who are able to pay for the carrying on of this war are the last men who will demand that these businesses, worked up in the way I have mentioned, shall be taxed to that extent. I urge upon the Finance Minister that his measure be so changed that consideration will be given in the cases I have mentioned in respect to companies as well as to partnerships.

Companies that have head offices in Canada are being invited by this measure, as it now stands, to remove their head offices to another country. There are several businesses in Ontario, and undoubtedly quite a number in Canada, whose head offices are in this country, but the greater proportion of whose business is outside of this country. We are glad to have the head offices of these institutions in Canada. They are working under provincial or Federal charters, and the profits from all these sales, all over the world, come back to the Dominion of Canada and are largely spent here. But the interest of these institutions, in many cases, lies nearly altogether in another country and the minister, by his present method of taxation, leaves it open to these companies to take out American charters and move their head offices across the line. In this way they will escape the taxation. I say that that is an invitation to these companies to take away their head offices from Canada, and in some cases these are great institutions and it has been a great benefit to Canada to have their head offices here. I admit that it is easy to give advice to the Minister of Finance, but I am bringing these matters to his attention as strongly as I can because it cannot be worked out in an easy way; it will take time.

I come now to a class of people who escape this taxation altogether. As men get older they begin to retire from business, unless they are harnessed to it. Where do they put their money? They are tired of the risks of business, and so they buy bonds at six per cent or Government bonds at five and a half per cent. It

is not fair to compare the income from a six per cent bond or a five and a half per cent Government bond with the income from a seven per cent return from an industrial concern. The man who holds the bonds takes no risk, not a cent. The man who has his money in an industrial concern at six or eight per cent is taking all the risk, and any day his whole capital may be wiped out. Perhaps a Government bond at five and a half per cent is equal, when we consider the element of security, to an income of about twelve per cent in an ordinary industrial concern. As men grow older they get away from the industrial concern; they want something safe and sound. Their chief occupation is to have an enjoyable life and to cut coupons to keep life going on leisurely; so they buy Government bonds. In this country many vaults are full of municipal and Government bonds. A man may be worth $1,000,000 of Government or municipal bonds and not contribute one farthing under this Bill; while the man next to him may be of the same age but may be harnessed to his business, working hard with his sons in a small company, and he is taxed under this measure. I ask if that is equity. The fact that this is so proves what I said a moment ago that in that instance industry is taxed and wealth goes scot free. I would prefer absolutely an income tax, graded, and not imposed on small incomes where it would affect the living of any ordinary man, woman, or child. But these are abnormal times and we could perhaps hardly adhere to that principle, particularly in cases where large concerns have made abnormal profits out of the war.

Let me point out another inequality, and this, I know, will strike the Minister of Finance. We have one dry goods store here with a large capitalization, which is perhaps not taxed under this Bill; but the competitor of that concern, with a much smaller capitalization and not doing nearly the business, will have to pay twenty-five per cent of its excess profit over seven per cent. That is not fair; and there is no system of reasoning by which it can be argued that it is fair. A big concern which ordinarily buys cheaper and does a bigger trade and surely makes more money, will not, under this measure as it now stands, have to contribute a farthing under certain conditions; while its competitor, doing a smaller business, may have to contribute.

Then, take the manufacturing concerns. Under the Bill if passed, as proposed by the Minister of Finance, a boot and shoe concern, which I have in mind, will not contribute a farthing, while a competing boot and shoe company, a few blocks away, will pay, perhaps, $20,000. That is an inequality which the Government cannot afford to allow. I could go on citing instances, but I want to give a few concrete cases, and not at all with the view of criticising any company. I believe that every man in this country is willing to pay his share of taxation, but he wants to know that every other man, who is in a position to do so, will pay; and if the object of the Government is to have equality, they will have to change the Bill very radically.

Let me give a few instances. I think the figures I am about to cite are correct; they have been hurriedly got together, but I think they are approximately correct. Take the Canadian Pacific Railway Company, and I am told that they object to the taxation on other grounds which I do not know to be the case, but the Canadian Pacific Railway, under this measure will pay over $2,000,000, while the Canadian Northern Railway and the Grand Trunk Railway, competing transcontinental lines, will pay nothing. If we are going to take into consideration what institutions or industries make out of war profits, I think you will find that every one of those railway companies has made a little out of this war. There are three transcontinental railway companies; one of them will pay over $2,000,000, and the other two, competing lines, will pay nothing. The Minister of Finance rather gloried in the fact that the farmers were not going to be taxed. Let me just say this: that every dollar you put on the railways will have to be paid by the individuals who use the railways.

Mr. MEIGHEN: Out of the taxation of surplus profits?

Mr. GRAHAM: The railways are going to have surplus profits next year just as they have had this year, and my hon. friend the Solicitor General cannot get away with that kind of quibble. When railways contribute anything, they find a way of getting back at the man who uses the railways, just as any payment made out of any concern will add a little to the price of the goods of that concern, and the consumer will ultimately pay.

Mr. MEIGHEN: Then we should never tax the railways at all.

Mr. GRAHAM: You have not done it so far, but when you do tax them, you ought to tax them all; that is my argument.

Mr. MEIGHEN: That would be more out of the pockets of the people.

Mr. GRAHAM: Not at all; my hon. friend is not very well versed in how the railways manage their affairs. For example, the Toronto Street Railway has a capital of $12,000,000, and it will pay approximately $88,000; the Quebec Railway, with a capital of $10,000,000, will pay nothing under the Bill as it was outlined by the Minister of Finance in his speech. What I am arguing is, that my hon. friend will have to change his Bill, even if he has to let go a good deal of his speech. The Solicitor General seems to be at variance with the Minister of Finance, for he says the Bill is going to be all right. What I am anxious to do is to impress upon the Government the inequalities of their proposed taxation as I see them. There is plenty of time to change the Bill and to make the taxation as equitable as possible.

The Ogilvie Flour Mills, with a capital of $4,500,000, will pay $201,000, while the Dominion Flour Mills, with a capital of $1,000,000, will pay nothing. The Lake of the Woods Milling Company, with a capital of $3,600,000, will pay approximately $41,000; the Montreal Power Company, with a capital of $18,800,000, or a little over, will pay $320,000, while the Shawinigan Power Company, whose capital is $13,612,500, will pay $29,000. The Nova Scotia Steel Company, whose capitalization is $8,500,000, will pay $254,000, whereas the Dominion Steel Company, with a capital of $44,000,000, will pay nothing.

Mr. MEIGHEN: Do not be too sure.

Mr. GRAHAM: My hon. friend says: "Do not be too sure." If the Government should change the Bill, it will not be in accordance with the speech of the Minister of Finance, and what I am saying will have borne some fruit. The Dominion Textile Company, with a capital of $6,900,000, will pay $186,000, while the Montreal Cottons, whose capital is $6,000,000, will pay nothing. The Maple Leaf Milling Company, with a capital of $5,000,000, will pay $131,360, while the St. Lawrence Flour Company will pay nothing. The Laurentide Pulp and Paper Company, whose capital is $9,600,000, will pay $28,000, while Price Bros., capitalized at $5,000,000, will pay nothing. The Canadian Foundries, with a capital of $1,920,000, will pay $216,400, while the Canada Cement Company, whose capitalization is $24,000,000, will pay nothing. The Canadian Consolidated Rubber Company, with a capital of $4,785,500, will pay $193,000, while the Canada Locomotive Company, with a capital of $3,500,000, will pay nothing. The Dupuis Frères (dry goods) with a capital of about $100,000, will pay $30,000, while the Goodwins, Limited, whose capitalization is $3,000,000, will pay nothing. The Canada Sugar Refinery, with a capital of about $1,000,000, will pay $250,000, while the Atlantic Sugar Company, with a capital of $6,000,000, will pay nothing.

Sir THOMAS WHITE: Will my hon. friend allow me to correct him? His statements are quite inaccurate. I made the statement to the House that the Bill to be founded on this resolution will have a definition of the amount paid on capital stock which will prevent any undue advantage to overcapitalized companies.

Mr. GRAHAM: That is not what was outlined in my hon. friend's Budget speech, What he said was that the capital stock would govern. Common stock is paid up capital stock, and if the Government intend to introduce a clause in the Bill—

Sir THOMAS WHITE: It is in the Bill.

Mr. GRAHAM: I have not got the Bill; I am referring to what the Minister of Finance said in the House. Parliament can only discuss what the Minister of Finance gives it. He now tells us he is going to change the Bill. When a resolution is submitted to the House, it gives notice to the members that a Bill is to be introduced based on the principle of that resolution, and the statement of the Minister of Finance, and everything that has appeared in Hansard up to date, certainly gave us to understand that common stock would be called paid up capital, and would count.

Mr. MEIGHEN: The hon. gentleman was not in the House when the statement was made.

Mr. GRAHAM: I was, and I heard the statement.

Mr. MEIGHEN: Then my hon. friend is incorrect.

Mr. GRAHAM: I know what I am saying. I say again, that if the Minister of Finance proposes to bring in a Bill differing in this respect from what he stated in his speech, and differing from what is set forth in the resolution, I congratulate him on that great improvement. But he has no right to expect me to discuss something

which he has not submitted to the House. What I have before me is what he said in his speech. Here is what he said:

> We found it a practical impossibility to go behind the capitalization of companies,—

Sir THOMAS WHITE: Read on.

Mr. GRAHAM (reading):

> —and endeavour to ascertain the precise cash value of their assets as can be done in the case of individuals or partnerships.

Mr. PUGSLEY: They cannot do it.

Sir THOMAS WHITE: They do not propose to do it.

Mr. GRAHAM: If a Bill is to be introduced along the lines now suggested, it is because of something that has happened since the Minister of Finance delivered his Budget speech, and I am glad of it, because it will clear the air. There has been a good deal of dissatisfaction, and the change will make people pay, who according to the minister's original proposition would have got off scot free.

There is another clause to which my hon. friend will have to give some attention, and, perhaps, make some variation in, and that is the mining clause. I am not here with a brief for the miners at all, but every man who knows anything about mining, as some of our hon. friends from the West and from Northern Ontario do, knows that a mine is a terminable quantity and that the returns from that terminable quantity are supposed to be sufficiently great that when the source of wealth is exhausted the mine will have returned to the owner his capital as well as a profit on his investment. If the Minister of Finance is to adhere to that twenty-five per cent of what appear to be the profits from the mining industry you will see that this industry will not be able to carry out the implied contract with those who have invested in it.

Sir THOMAS WHITE: I would call my hon. friend's attention to the wording of the resolution:

> The profits shall be taken to be the net profits.

Net profits, not capital.

Mr. CARVELL: On what?

Sir THOMAS WHITE: My hon. friend (Mr. Graham) is speaking of mining companies. There are net profits of mining companies. The total output of the mine includes a portion of the capital, but it is possible to estimate properly the net profits of the mine.

Mr. GRAHAM: In the statements we get the profits are put down as so much. My hon. friend intends to introduce something into his Bill specifying what shall be the net profits?

Sir THOMAS WHITE: No.

Mr. GRAHAM: There would be a grievous injustice, but if the minister intends to work that out in any way, and it will not be too easy to work it out properly, my criticism as far as the mining industry is concerned will be withheld until I see the Bill, which he has and I have not.

Having dealt with that, let me speak for a few moments concerning the great question that is before us; that is the question of why we are asking for all this money, of why we are worrying as to various methods of taxation in order to produce the best results. I fear that what I am going to say will not meet with the concurrence of a good many of my own friends and of many who have perhaps given the subject as much attention as I. In the press of Canada and in the speeches of some public men, the United States has been criticised for not being more aggressive under the circumstances. Of course, it is none of our affair in a way what the United States may do as a country. As a neutral country they have a perfect right to take whatever action seems to them best, but speaking from the viewpoint of Canada, as I see it, the United States should not be condemned by any one in Canada for the attitude it has assumed. It is a terrible thing to plunge a great nation into war and there are so many conflicting interests, of which we in Canada possibly know nothing, or little, and so many contingencies that may arise did the United States declare war, or join with the Allies, that, I say, any man who carries the responsibility on his shoulders of the welfare of nearly 100,000,000 of people ought to hesitate long before he plunges that people into this great war. But, turning to the other side, as a Canadian, my view is that we would lose rather than gain if the United States should join the Allies as a combatant. What would happen? We are now getting large amounts of munitions and supplies from across the line. Suppose the United States entered actively into the war, the supply of war materials for the Allies would, in a large measure, be stopped because the United States would have to

begin at once and equip an army of her own. She has no army of any great strength that could leave her shores. With a population of nearly 100,000,000 to-day her army is comparatively small and it would take time to do what Canada has done—find, drill and equip an army before she would be ready to give us practical assistance in the field. While all this was being done all the great industries would be engaged preparing supplies for this army when it was ready to go to the front and the Allies, in my humble judgment, would be deprived of a great deal of aid under these circumstances that they are now getting.

We are prepared to do our share; we are all agreed on that. I think that one benefit that will come to the people of Canada out of this great struggle will be the fact that we will leave behind many of the recriminations which have characterized the attitude and utterances of some of us during years gone by. We find that everybody, no matter from what country his father came, is a Canadian through and through and ready to do his bit for the country in which he lives. The war has had a great levelling process in the old land. We, who, in this part of the Empire, in days past have looked with some slight degree of comtempt—perhaps that is too strong a word—on what we call aristocracy of England, are learning that the man of aristocratic descent is standing shoulder to shoulder, and side by side, with Tommy Aitkins in the trenches and doing his bit as well as the poorest man who comes from any part of the Empire. We are paying dearly for the lesson we are learning, but behind the dark clouds there must be a silver lining, and if each part of the Empire does its duty, as it will, the day cannot be far distant when out of this great struggle will come a clarified, a purified, a more thoroughly united people throughout the entire world, and in this great regeneration Canada herself will have done much and will enjoy the benefit thereof.

Mr. D. D. McKENZIE (North Cape Breton): Mr. Speaker, this question has been very ably and very exhaustively discussed, but there remain a few observations that I desire to make. The question in particular before us is the Budget. There is an old saying that:

> Hope springs eternal in the human breast:
> Man never is, but always to be, blest.

Last year when we were discussing the Budget we were hoping that before another year would pass a better condition of things would come about. The war cloud is still hanging over us, but we have made fine progress since last we discussed the Budget. We may not be able to put our fingers on the particular advances we have made, but we feel that we are in a much better position to face the enemy to-day than we were a year ago. We have measured up our own strength, we have mustered our forces, and we have found what we really could do, and what men, money, and munitions we can put behind the mother country in this desperate struggle. That, Sir, is a great advancement. A year ago we were not the organized body that we are to-day. The great Empire to which we belong had not then found the strength of its various parts, or consolidated its resources. But we have now found the range, we understand the boxing methods of our enemy, and it is only a matter of time and of opportunity until the British Empire and the British people shall give that enemy the upper-cut on the jaw that will put him asleep, and perhaps a little sooner than the Hun expects. We have cleared the seas of the piratical Hun. We are proud to say that on this occasion, as of yore, Britannia rules the waves, and shall continue to do so. Our people have their feet firmly planted on the ground. We have known the worst and have provided for it. We are better organized than when we commenced the war, and we shall continue until final victory perches on the banner of the Allies. Life is the dearest possession of man, but none too dear to be sacrificed on the altar of freedom, security, fidelity, and truth. That, Sir, has been abundantly proven by the Canadian people in their sacrifice of the best lives of the land, and in their sacrifice of money, which is as nothing compared with the sacrifice of the flower of our people. It is not necessary for me to spend any time in going over what has been so well said by many speakers in regard to the stand the Canadian people have taken in this war. In my observations on the Budget last year I made reference to what was expected of us by the King, and to what the King himself had declared to be the expectations that he had from the overseas dominions. His Royal Highness the Governor General also declared to us what was expected of the Canadian people, and we are proud to have more than measured up to the highest expectations announced in any of those despatches. Although I cannot entirely approve of the

methods of the Finance Minister and the Government, I am to some extent pleased at the success that has attended their efforts in providing the sinews of war for the contest in which we are engaged.

The Budget is the real subject with which we have to deal on this occasion, and perhaps it would be well from my standpoint, as an Opposition member, if I briefly reviewed the financial conditions of the country for a short period before this Government came into power, and very hurriedly from that time down. When Sir Wilfrid Laurier took charge of the affairs of this country some years ago, the country was in a very bad financial position, but by his excellent administration, by placing the affairs of the country in the hands of men who understood such matters, men who would exercise economy, and who foresaw the development this country might attain without extravagant use of the means that had been placed at their disposal by the people of this country, Canada was brought into a first-class condition financially. In 1911, when the present Government came into office, the Finance Minister must admit, and did admit, that he found the financial condition of this country to be first-class; he found every obligation fully met and satisfactorily squared up. He found the books balanced, and $40,000,000 of cash available at his hand. The credit of the country was excellent, no bills were falling due, and there was nothing to disturb the equanimity of the Minister of Finance. This happy portion was left to him by the Hon. Mr. Fielding, who, for the fifteen years before, had so wisely conducted the finances of the nation. During the very first session after the change of Government, I observed during the course of some remarks in the House that the country had been placed in such a sound position by the wise and capable administration of the outgoing Government, that I hoped it would never again be found in the position it was in some fifteen years before. But I reckoned without my host; I reckoned without having proper knowledge of the spending capacity of the hon. gentlemen who took charge of the administration of this country at that time. I had not counted upon the thousands of hungry hordes that were waiting at the doors, anxious to get their forelegs and whole head into the political trough, and into the treasury of this country. I had not calculated upon the purposes for which the present minister was put at the head of affairs. If rumor be true, he was put there to provide for a certain class. He was but one of a number of gentlemen who were returned to power by a certain class who were masters of the situation then, masters of the Government then, and who are masters of the Government to-day. In listening to these masters, in giving to Manitoba four or five million dollars to which they had no right; in giving to the Canadian Northern Railway something like sixteen million dollars to which they had no claim; in ladling out dollars by the sixteen millions and twenty millions; it took the Finance Minister but a day, comparatively speaking, to get rid of the $40,000,000 that he found in the treasury. As the old saying is, soon he had not a penny to bless himself with.

Mr. PUGSLEY: And he laughs over it.

Mr. McKENZIE: That is the pace at which hon. gentlemen opposite got back to the old stress and storm, to the old condition of things, with not a dollar in the treasury and with the faces being ground off the people by high taxes. That was the position in which the Tory party found themselves, that was the true condition of the Tory party. I suppose that the Finance Minister, having been taken into the Tory family, felt that he must be even worse than the old Tories themselves in order to show that the proselyte was fully converted.

There are only certain conditions of financial circumstances in this country under which our Tory friends know how to rule, and the story which I was going to tell, and which I think I told some time ago, was about a doctor who went one day to see a patient, and discovered that that patient was in a very high fever. The doctor could not make out what really was wrong, and he asked the people of the house to prepare a tub of ice cold water. They got the tub of ice cold water, but when they saw that the doctor was going to take the patient and plunge him into the tub, they tried to prevent him, saying: "That will be the death of him." "Oh, no," said the doctor, "it won't; I cannot make out what is the matter with him now, but I will put him into this tub, and I venture to say that in a few minutes he will develop fits, and I am the devil on fits." The hon. gentleman who, with great credit to himself, now fills the position of Minister of Finance, never really got his bearings until the country was in the old Tory condition of affairs, and then he said: "I see the smoke; I see the points; I know where

I am." With those conditions he started out, and I must say that things have not been much better since he found his bearings, because it was impossible for them to be so.

Last year the Minister of Finance told us that the ordinary and capital expenditure of the country would be $140,000,000, and the war expenditure $50,000,000, a total of $190,000,000, and we had a revenue of $130,000,000, leaving a deficit of $60,000,000. That was the condition in which we found ourselves on the 31st of March, 1915. For the current year, the minister tells us that he is going to get $170,000,000 out of the people. Let me remind hon. members that, in the old days when the Liberals were in power, and when the gentleman who is now Minister of Trade and Commerce (Sir George Foster) was the financial critic of his party, he used to sit up at night and bewail the conditions of this country on account of the fact that we were collecting from the people from seventy to seventy-five million dollars. Now, Sir, this same gentleman sits back and cheers, as an extraordinary feat of statesmanship, this squeezing out of the same people of $170,000,000, or more than twice the amount that the Liberal Government was collecting. It is another illustration of the "ins and the outs." Of course, the Minister of Trade and Commerce and his friends are now in, and it is perfectly right and proper, in his opinion, that the faces should be ground off the people for $170,000,000, when his heart was bleeding at the thought of $70,000,000 being taken from them in other years. The same cry was abroad when we were spending $87,000,000. The right hon. gentleman who is now the leader of the Government used then to say with emphasis that there was no further nor better evidence required of the extraordinary and unjustifiable extravagance of the late Government than that we were spending eighty-seven or eighty-eight million dollars in keeping up the affairs of this country. Since then there has been a different tune and a different fiddler, and a first class fiddler for doubling and trebling the expenditure over what it was when we had the reins of power. If the Prime Minister, who was then leader of the Opposition, was sincere and honest in saying that an expenditure of eighty-seven or eighty-eight million dollars was conclusive evidence of dishonesty and extravagance, what does he say as to the condition of things that prevails to-day in the Government over which he presides? When we find expenditures of $125,000,000 and $140,000,000 and $145,000,000 within a few years after this Government came into power, with nothing to show for them except the feeding to a great extent of that class of people of whom I spoke before, who have become the camp followers of this unfortunate Administration.

The minister told us last year that in his taxation he expected to provide for $150,000,000. That, of course, was a guess, and I suppose a minister can do no more than guess under such circumstances. However, when he went to collect the tax from the people he made a fortunate guess to the extent of $20,000,000, which he collected over and above what he had said was necessary. Now, his friends who sit behind him applaud that as a most marvellous feat of statesmanship. In order to get this $170,000,000 that he is collecting for this year the minister had to impose an extraordinary amount of taxation: he had to levy upon the people an extra duty of seven and a half per cent upon all kinds of goods and commodities that came in free last year, or that were subject to a duty ranging from twenty-five to thirty-five per cent, and an extra duty of five per cent on goods that came in under the preferential tariff. This is not a light matter to the poorer classes in this country; it bears heavily upon the working classes with small wages, large families, and many requirements, with everything to be bought from the pay received weekly or fortnightly as the case may be. When the minister takes thirty or forty per cent out of the pay envelope of the workingman he is placing that man in a very awkward position.

The minister was not satisfied with all this taxation, and this year he has come down with further taxation. He comes down with a tax on apples and a tax on oil. Apples are the luxury of the poor man; oil is the light of the poor man. And now the minister—I suppose unthinkingly, as he has not the experience to make him aware of the difficulties of the poor man's lot—comes down with a policy of added taxation on apples and oil. In other words, he strikes the apple out of the baby's hand and sends him to bed in the dark. But the hon. minister has indicated that he has experienced some change of heart, and I hope that he will decide to give back the apple to the baby and to re-light the lamp that lights him to bed.

I said a moment ago, and I say it again

with regret, that this Government seems to be to a great extent controlled by the big interests. It was the theory of the National Policy that it would conserve for our own people the trade of this country and that local competition would keep down prices. That was the view expressed by Sir John Macdonald, Sir Leonard Tilley, Sir Charles Tupper and others who agitated for the adoption of the National Policy. They used to say: It is true we put a duty of 30 per cent on boots and shoes, but boots and shoes will be no dearer because the competition within our own borders will prevent an advance in prices. That is a plausible presentation of the case, and the people accepted it, and so the National Policy was adopted. But in those early days we had no knowledge of mergers and combines; these things have developed since that time. But they are with us to-day—the flour trust, the beef trust, the pork trust, the grain trust, the shoe trust—everything is a trust, and with it all we have a trust Government. What is the good of talking of local competition? The people in these industries get together and say: let us not fight each other, but let us combine and we can fleece the poor man. And I was sorry to hear the Minister of Finance the other day, when metaphorically speaking, he threw off his coat and rolled up his sleeves in defence of the millers—the poor millers of this country who are making only fifty or sixty per cent on their capital. The minister feels that he must stand behind these poor orphans, lest something should be done to cheapen flour in this country. But he had nothing to say for the poor man. In the part of the country that I come from the labouring man earns from $1.45 to $1.75 a day, and he has to pay $7 to $7.50 a barrel for his flour. On the other hand, the farmer in the West says that he gets hardly anything for his wheat; wheat is so cheap out there that they let it rot on the ground, for they think it not worth while to carry it to the mill. We have 370,000,000 bushels of wheat in this country this year. There are 8,000,000 people to feed. We have plenty of cheap power to grind the wheat. Will anybody tell me that it is reasonable that the people of the Maritime Provinces, under these conditions, should pay $7.50 for a barrel of flour? Yet the other day, when the Minister of Finance was asked by an hon. member on this side how it was that the price of flour had gone so high, the answer of the Minister of Finance was: "Three years ago we appointed a commission to inquire into such matters, and we expect that in a short time they will bring down their report." And he might have added: "That report will consist of two or three volumes, and if you want to find your needle in that hay stack, you are welcome to search for it." Is it not most extraordinary that, when such a question is asked, such a reply should be given? I would not have believed it, had not I heard it myself. We have a Government, one of whose members is Minister of Labour, with a large staff, part of whose duties should be to collect such information as this. We have a Minister of Trade and Commerce, with a great Department of Trade and Commerce that might well be engaged in considering matters of this kind. Yet the Minister of Finance, who should be the reservoir of all such information, and ready at any time to give it to the House and to the country, was not able to tell us why the poor man's flour has jumped from $4.50 a few years ago to $7.50 to-day. The minister could not answer a plain question, but he could declare his determination to protect the millers' trust regardless of what became of the poor man. I trust this condition of affairs will not continue, but that such conditions may be established that when we have an abundance of wheat, or an abundance of any other great staple commodity, the Government will see to it that that commodity gets into the poor man's house at an honest price. I am proud to say that in the province of Nova Scotia, from which I come, though we do not raise a great deal of wheat, our provincial government is endeavouring to meet this problem of the high price of flour. We have two mills built by the provincial government and we will take the wheat from Manitoba and grind it in these government mills, and so will create a competition which will keep prices at a reasonable level. That is what we are doing in Nova Scotia, where we have not the grain that they have in the West, and where we have not the money and the facilities controlled by this Government. I hope that the time will come when the Minister of Finance and the Minister of Trade and Commerce will throw off the shackles with which they are bound and will tell these trusts that they must do an honest business; tell them that, in a country where wheat is abundant and power is cheap, we must have cheap flour.

We have heard a great deal about the

immigration that is to be expected. We hope that, whereas we have room for one hundred million people in this country and have only eight million, the day is not far distant when we shall have a large influx of people into this country who will develop it more and more, in proportion to our means of providing for them. If there is one thing that more than another will make it easy for us to get good people into this country, it is to show that this is a good country in which to live, that this is a good moral country, that it is a country in which children may be brought up in the fear and admonition of the Lord, in which there is a good system of education, absolute freedom for every man to bring up his children in whatsoever religion and form of education he wants, and that they will be taught their own language if they want to be without any question or any trouble; that we have abundance of everything necessary for the sustenance of life; that we have no combines and no trusts that can control the necessaries of life and make it hard for the people to live comfortably, and that our Government does not permit or encourage anything in the nature of combines. But when you tell the poor man in England that a barrel of flour will cost him fifty cents or sixty cents more in Canada than in London, that is not an argument to induce him to come to this country. I am earnest in pointing out that the best immigrant agency for Canada would be to make Canada a good, comfortable country in which to live, to make the dollar go further than it is going to-day, and to show the poor people that with such wages as they can get they and their families can live in comfort and happiness. I have pointed out that the monied interests of this country have more power and more concessions than they should have, and possibly I need not further enlarge upon that point. I am proud that we provided for the war in 1914 $50,000,000, and last year $100,000,000; and that this year we will provide $250,000,000 without any hesitation. That is, we have now provided about $400,000,000 for the purposes of the war; and I am sure the Canadian people will support any Government in furnishing that money. The regrettable feature is that after this money has been furnished a certain laxity appears to have been permitted to crawl into the administration of the affairs of this Government, so that much of the money does not find its way to the proper spot. We are voting this money for the purpose of buying guns and munitions and making our soldiers comfortable; in fact of doing everything necessary in order to convert the raw recruit into a first-class soldier and send him to the front to fight with our friends in Europe. It is regrettable to find what a very large percentage of this money has found its way into the pockets of profiteering leeches who have got into the good graces of this Government, which we on this side have no means of preventing. It cannot be denied; it is happening every day. So this money is not producing the fruit it should if properly handled. The minister has the responsibility of collecting this money; let me urge him to see that it is properly expended and expended in such a way that it will bring forth good fruit. This money should be expended with the greatest possible scrupulosity, yet men are permitted to come into this field, where this $400,000,000 is, with no other shibboleth or passport being required than the recommendation of some Borden club or other Tory club in any part of the country. I hope that what has occurred in our political life in the past is sufficient to impress on us that henceforth better conditions must prevail in this country? I am sure that the Minister of Finance would like to see all of this business done in a better way, but he does not seem to have any control over certain factions of the Government of which he is a member.

I was astonished, on re-reading the speech of the Minister of Finance, to see the reasoning by which he supported his claim that we have a surplus of $45,000,000 this year. He says that we collected $170,000,000 of money, that our ordinary expenditure was only $125,000,000, and that therefore we have a surplus of $45,000,000. When the minister started to collect this $170,000,000 what did he say? He said: This is war taxes, we are getting this money on postage, on patent medicines and from the banks; every cent of this extra money we are getting as war taxes and this money is for the war, you are paying it for the war. If you ask any Tory newspaper editor in my part of the country why Sir Thomas White went over to these horrible Yankees for $45,000,000, he will say he went there on account of the war. Everything you criticise, from Dan to Beersheba, it is nothing but the war. But what does the minister himself tell us about the $45,000,000 he got from the Yankees? He says he paid some of it to strengthen the premier of Nova Scotia in the county of Halifax and some of it out in the frozen regions of the northern ocean in connection with the

Hudson Bay Railway, and some other works which he would not mention. Not a dollar of it went to the war. That $45,000,000 and the $100,000,000 collected from the Canadian people by the recent loan, was collected, not for the purpose of the war, but for other purposes. Of the loan, one-half went, correctly enough, to pay a part of our obligations to the Mother Country. I care not what the minister may call it, but we are certainly under a huge debt to the Mother Country for expenditures in connection with this war; and if $50,000,000 of the $100,000,000 borrowed from the Canadian people last year went to the credit of the Mother Country, it is not a gift, it is not given as an accommodation to them; we owe them at least five times that much money and we are only paying back a part of our debt. When the minister tells us that we have a surplus of $45,000,000, it is certainly wide of the mark, we have nothing of the kind. How does the account stand? He tells us himself that we paid $158,000,000 on war account apart from this $50,000,000. We are paying $208,000,000 in connection with the war, and we have a capital and ordinary expenditure of $125,000,000, making a total of $333,000,000. Against that we have the $170,000,000 which we collect, leaving a deficit of $163,000,000. What is the good of juggling with figures and telling the people of this country that there is a surplus of $45,000,000 when, as a matter of fact, taking all expenditures into consideration, there is a shortage of $163,000,000. That is the position in which we stand to-day, and it is a position which was well known to the Minister of Finance when he told this House that we had a surplus of $45,000,000.

I do not wish to encroach upon the good nature of the House in dealing with this subject. The hon. member for South Renfrew (Mr. Graham) has dealt with the new taxation proposals in such an effective manner that I do not propose to waste further time upon them. I am afraid the Minister of Finance will find that the machinery he will have to provide for collecting those taxes will eat up the whole of the money and there will be nothing left. I am afraid, also, that it will afford the Government another field for displaying their great aptitude for increasing the Civil Service of this country. When they came into office they increased the Civil Service by 12,000 men, which meant an addition of $12,000,000 to the expenditures of this country. Now it would appear that another field has been opened to the party heeler, and that another bright day is about to dawn for him, when perhaps 12,000 more civil servants, at an expenditure of $12,000,000, will be found by the Minister of Finance. I venture to say that the minister will have to shell out in connection with this new collection of taxes, and, if so, there will be very little left. I fear, indeed, that he will have nothing left, and that he will create another institution like the post office, that will be prolific in producing deficits and in squandering the money of the people.

My hon. friend the Minister of Finance is also going to create new courts. He is going to create a board of arbitration. He is going to furnish machinery by which there will be no end of law suits in the Exchequer Court. I can see here another field opening up to barristers from the Atlantic to the Pacific who will be at the heels of the minister looking for positions. I believe that the officers of the Department of Justice would do this work if they were asked, but they will not be allowed to do it. It would not do to scatter the patronage or pelf among the officers of the department. It must be peddled out to barristers from the Atlantic to the Pacific who will do nothing for it. We had an illustration the other night of what had been done and will be done, in connection with the Justice Department. We had a shocking condition of things revealed. We have a first-class Minister of Justice, a Deputy Minister who is second to none as a lawyer, a first-class Solicitor General, and seven or eight lawyers in the Department of Justice; and yet we had the extraordinary and sorrowful spectacle here the other night of the Minister of Justice explaining that he had had to send to Halifax or to Montreal to get three lawyers to draft some little Bill that had to be submitted to this House.

Mr. CARVELL: What did that cost?

Mr. McKENZIE: Something over $5,000. Of course it would have been beneath the dignity of the Minister of Justice to do anything of that kind, and the Deputy Minister is not supposed to interfere in matters of patronage, while perhaps it did not come within the purview of the seven or eight lawyers in the department. As for the Solicitor General, he was quite prepared to spend fortnights and months in framing legislation to shut our mouths in this House by means of the closure, but he had

no time or inclination to draft a few lines of a Bill a few months ago.

I would like to make some reference to some of the speeches delivered in this debate. There was a very wild and enthusiastic—I would almost say sarcastic speech this afternoon from the hon. member for Annapolis (Mr. Davidson). I do not propose to pay very much attention to it. It reminded me of the story of the old Scotchman who was sitting by the side of the house on a fine sunny afternoon. His wife, who was a small woman, was most unmercifully beating him about the head and face with her hands. Somebody said: "Why do you allow that little woman to throw you about in that way?" and he replied: "Oh, well, it pleases her and it doesn't hurt me." If the delivery of such speeches as that pleases the hon. member for Annapolis it does not hurt us in the slightest degree. He spoke about giving us a portion of his mind in his own speech. These are things with regard to which he ought to be careful and conservative. Nature did not give him a measure pressed down and running over of that excellent commodity and if he has yet any of it and does not desire to part with it I would ask him to put it in his wife's name so that it may not escape him. So far as we are concerned on this side of the House, we will try to get along without robbing him any further of that commodity.

I must give some attention to the very excellent speech that was delivered here a few evenings ago by the hon. Minister of Trade and Commerce (Sir George Foster). That speech was taken seriously evidently by some of the newspapers of the country. I find an editorial reference to it by a newspaper known as the morning Citizen, of this town, a paper which seems to be well edited, and is held in very great respect in this community. I have not the honour of being acquainted with the editor, but I presume, from his excellent editorials, that he is a man of education, strong commonsense, and good moral qualities. He was moved to say in the Citizen of February 22:

> Looking Facts in the Face.
>
> Sir George Foster's splendidly patriotic address of Thursday night last in the House of Commons will probably remain the outstanding feature of the present session, as it deserves to rank. The address of the Minister of Trade and Commerce serves to remind Canadians that the present Administration contains at least one really great man—great in the sense that he can divest himself of the habiliments of partyism—

Think of it; this gentleman is going to cut himself out from the habiliments of his party.

> —whenever occasion offers and that he possesses the courage of his convictions. It takes political fiber of a quality above the ordinary nowadays to take the attitude which Sir George Foster is apparently ready and willing to assume when called upon.

That is the impression which the Citizen formed of his speech. Now, the Minister of Trade and Commerce said himself, and we will take his own words for it as quoted in this paper:

> I have been for thirty-four years in public life. I have been a pretty close student of administrations and I cannot point to a single instance in which patronage has helped the status of the bench, the status of the civil service or the public administration or has helped a member of Parliament in reality or a government in reality, but almost always brings the dry rot which breaks up a government. I would wish that in the white heat of this struggle we could speak from the heart and make an agreement between the parties that patronage should have no influence in regard to our public works. If there is any laxity in the public virtue of this country to-day, in 99 cases out of one hundred you can trace it to the baleful effects of political party feeling.

There are other parts of the same speech quoted here, but what I want to refer to is this dry rot which the minister has discovered. It may be remembered that a few years ago he made other discoveries in connection with the election of the hon. member for South Renfrew (Mr. Graham), and I will have occasion to refer to that a little further on.

The speech of the Minister of Trade and Commerce deserves more than ordinary attention. The occasion of the conversion and confession of the hon. gentleman should be held as a red letter day in the life and history of the Tory party in Canada. The Minister of Trade and Commerce spoke with the zeal and ardour of Saul of Tarsus after he had been transformed into the new man and had entered upon the new life of Paul the Apostle. It was clear that he was convinced of the iniquity of the practices of his party and of the immediate necessity of the complete abandonment of the life and course of political depravity and corruption, blindly pursued by his party ever since they could distinguish between the right and the left, and that henceforth, whatever others might do for him and his House, he would aspire to higher and better things and, having put his hand to the plough, he would never look back to the Lot possessions of his former days and associations. It is clear that the spirit

of confession and the spirit of penitence were upon him. It is to be hoped that the spirit of perseverence to the end will crown a glorious finality to this notable conversion. As this conversion, at least the confession of it, followed immediately after the able address of the hon. junior member for Halifax, (Mr. A. K. Maclean), he must share some of the honours of this notable incident, and be regarded as the sower who went forth to sow. In this connection we cannot forget the experience and fortunes of a sower of other and more ancient days. The experience of the ancient sower was that some seeds fell by the wayside and the birds picked them up. I could not help fearing a like result the other night as I noticed such birds of ill omen as the hon. Minister of Customs (Mr. Reid), the hon. Minister of Public Works (Mr. Rogers), and the hon. Minister of Marine, Fisheries and Naval Affairs (Mr. Hazen), hovering around the head of the earnest and unsuspecting convert. Let us hope, however, that he may break away alive and well from his threatening environment and bring forth fruit meet for repentance.

What are some of the fruits that will be looked for by the Canadian people? First, the Conservative party in which the Minister of Trade and Commerce is such a leading and important factor must be purged of the concubinage of the Nationalist alliance; second, the development of a clean, sound, free public opinion and the expression of it at the ballot box immune from the blasting and damnable influence of the money bags. If the hon. the Minister of Trade and Commerce will accomplish these reforms of and for his party he shall have conferred upon them and his country a boon greater than anything that "science can devise or money can buy." But here let me quote and adopt the language of the immortal Burns:

> I backward cast my eyes on prospects drear,
> And forward, though I cannot see, I guess and fear.

For we heard some such speeches from the hon. gentleman more than once on former occasions and no corresponding reform, or any reform at all, in the Government to which he then and now belongs. But the hon. gentleman is wise and experienced enough to know that he cannot fool the people all the time and that he has now reached the stage where he must do one of two things—show some fruits of his reform in the life and conduct of the Government of which he is so prominent a factor, or come out from among them and separate himself from them and have no further part or lot with the evil works of darkness. Some years ago he feared the inoculation of poison into the veins of the Government and he stated that the electing of the honourable member for South Renfrew would be in fact the absorption into the life blood of the Government of that malignant and deadly element and now he has discovered this condition of the political constitution of the Government has developed into a dry rot permeating the whole fabric with no possible results but annihilation and death. The change of heart of the honourable gentleman in face of the facts as stated by himself cannot but remind us of the belated conversion of the covetous prophet of old who, for filthy lucre, attempted to curse the chosen people of God, and discovering his failure and moral collapse, called out: "Let me die the death of the righteous and let my latter end be like unto theirs." I said at the beginning that Saul of Tarsus had become Paul the Apostle, and indeed the great Paul and Sir George Foster (the Minister of Trade and Commerce) have many points in common, although differing in sufficient particulars to make them easily distinguishable. Paul was a citizen of no mean city, and in that he has nothing on the Hon. Sir George—as Toronto the Good, the Athens of America, bears more than favourable comparison with the metropolitan home of the aged philosopher, author and preacher of other days. Paul tells us that he was a Pharisee of the Pharisees, and in that role let me emphasize that he will find in the hon. Minister of Trade and Commerce a foeman worthy of his steel. Paul says that he was a Hebrew of the Hebrews. Well, if my hon. friend is not a Hebrew, his attainment would justify the presumption, and if a love of the good things of this world characterizes the Hebrew—tell it not in Gath, but it was hinted that the hon. minister was not averse to the accumulation of wealth, impatient of the slow, glacial progress of honest poverty. Paul was a clear-cut, incisive logician, diplomat and scholar; in all those most excellent talents he breaks but even with the hon. Minister of Trade and Commerce. But, with all his excellences, Paul had his moments of weakness, and by actual confession we have it that the hon. minister himself is subject to like infirmities. Paul expresses an overwhelming desire to be "freed from

the body of this death." The hon. Minister of Trade and Commerce expresses a longing desire to be liberated from a body that bears in its members the disintegrating influences of slow poison and malignant dry rot. Paul tells us that he had to fight with wild beasts at Ephesus, and that he encountered a spiritual wickedness among principalities and powers; in all this, Paul had but light affliction, indeed, compared with the experiences of the minister, for has not the minister attended meetings of the Borden Cabinet, when one-half of that noble band were dismantling and scuttling the Canadian Navy, rending and punching the British flag, and the other half exchanging compliments, not of the Sunday-school brand, about Manitoba graft, unclean political records, glue-pot military horses, boots and binoculars. Amid scenes like these it seems I hear the Minister of Trade and Commerce cynically soliloquizing:

> How beautiful a thing it is,
> And how becoming well,
> Together such as brethren are
> In unity to dwell.

Paul and Sir George, the hon. Minister of Trade and Commerce, had other mutual experiences, though of perhaps less note. Paul tells us, in penitential mien and tones of self-condemnation, that he was present at the death of St. Stephen and that he held the clothes of the rioters. The Hon. Sir George, Minister of Trade and Commerce, "from his nest beneath the rafters," viewed with calm complacency and approval the slow torture and ultimate decapitation of that venerable nestor of the Tory party, Hon. Sir Mackenzie Bowell. I shall not follow the comparison any further, and hope that the common good in the contrasted characters will deserve and enjoy common rest and felicity "where the wicked cease from troubling and the weary are at rest."

Those are the observations I have to make on the Budget.

On motion of Mr. J. J. Hughes, the debate was adjourned.

On motion of Sir Thomas White, the House adjourned at 10.40 p.m.

Friday, February 25, 1916.

The House met at Three o'clock, the Speaker in the Chair.

MESSAGE FROM THE GOVERNOR GENERAL.

ACKNOWLEDGEMENT OF ADDRESS.

Mr. SPEAKER announced that he had received a message from His Royal Highness the Governor General. The message was read to the House as follows:

Arthur.

Gentlemen of the House of Commons:

I have received with great pleasure the Address that you have voted in reply to my Speech at the opening of Parliament and thank you for it sincerely.

THE MINISTER OF MILITIA.

On the Orders of the Day:

Mr. PROULX: I have been informed that the Minister of Militia contemplates leaving for Europe in a few days. If so, his reason for going must be very important. Has the minister any objection to letting the House and the country know the reason of this proposed trip, as his presence is very much needed in this country now?

Sir SAM HUGHES: I shall be delighted to give the House and the country all the information with regard to my movements to which they are entitled.

WOODMEN'S REGIMENT.

On the Orders of the Day:

Mr. KNOWLES: Can the Minister of Militia give us any information as to the proposed woodmen's regiment?

Sir SAM HUGHES: This regiment is being organized for the purpose of cutting timber, and is being recruited from among lumbermen in Canada, who are very familiar with the cutting of timber into various lengths and sizes. The freight on timber from North America and other parts to Europe is practically prohibitive now; vessels cannot be obtained to carry it. Timber is being cut in Europe, and these men are going over to cut it.

Mr. KNOWLES: Are the announced officers official?

Sir SAM HUGHES: I have picked out the commanding officer, Colonel Alexander McDougall. I am afraid he is a Liberal, but it is one of my peccadillos—I have a knack of picking these fellows—

Mr. E. M. MACDONALD: Good men.

Sir SAM HUGHES: Fine men; no trouble about that. Mr. McDougall is a very fine officer. I understand he has selected two

very distinguished members of this House as his seconds in command. He has not yet submitted a list of his officers.

IMMIGRANT WIDOWS AND CHILDREN.

On the Orders of the Day:

Mr. MURPHY: On Monday last I made an inquiry with reference to a cable despatch to the effect that Commissioner Lamb of the Salvation Army was coming to Canada for the purpose of settling 15,000 dependent widows and children in this country. The Prime Minister then said he had not heard of the matter, and I sent the despatch over to him. By this morning's Citizen I see that Commissioner Lamb has given an interview at Montreal and practically confirms the statement.

Sir THOMAS WHITE: I shall be glad to bring my hon. friend's renewal of the question to the attention of the Prime Minister.

THE FIGHTING IN FRANCE.

On the Orders of the Day:

Mr. E. M. MACDONALD: In view of the reports in the press as to the battle that is now raging in France, I would like to ask the Minister of Militia whether any of the Canadian troops are engaged, or whether the fight has extended to the quarter where they are stationed. Has he any information on the subject?

Sir SAM HUGHES: The fight that is now going on is north and east of Verdun, a very strongly fortified position, perhaps the most strongly fortified position in Europe, except Metz. The latest news is that the French have completely smashed the first attack of the Germans, and that the troops now coming on are reserves, and practically raw recruits. They appear to be hurrying them on in masses, but the French have held a very strong position. In two places, the first line trenches have been broken, but the second line trenches are absolutely intact, and all the accounts agree that there is no danger. The fighting is in the vicinity of the Meuse along a front of about 20 miles, and the Canadian lines are a long distance from that; I need not mention where they are. There have been no infantry attacks on the Canadian lines, but the artillery firing is very heavy. Two generals have been wounded. Brigadier General Macdonell of Winnipeg was wounded rather seriously by shrapnel in the shoulder and in the side, and Brigadier General Leckie of British Columbia was shot in the thigh. These casualties are supposed to have taken place in the rear of the Canadian position, but they are chances that our men are taking every day. The casualty list is not very heavy. I get a return every night, and there are five killed and eight wounded in last night's list. These are heavy enough, of course, but not serious. The artillery firing, as I have said, is very heavy on our line, and our fellows are giving it back to the enemy in their own coin.

NEW RICHMOND WEST POST OFFICE.

On the Orders of the day:

Mr. MARCIL: I would like to call the attention of the Postmaster General to the post office at New Richmond West, in my constituency, which has lately been closed owing to the introduction of a rural mail service. This post office has been in existence for sixty years, and near to it is a school attended by 100 children. The institution of the rural mail service does not seem to have been accepted by all the people interested, and I have received copies of a petition, which I understand has also been sent to the minister, signed by a large number of people in that locality. The introduction of the rural mail service has had the effect of depriving those people of the outgoing mail on the same day as they receive the incoming mail—the trains meet at New Richmond—so that the rural mail service is not an improvement in that locality. I will send the minister the letters if he cares to see them, and in view of the facts I have stated, perhaps he might look into the matter and see if the old post office, which has been in existence for over sixty years, could not be re-established.

Mr. CASGRAIN: I would like the hon. gentleman to send me the papers he has. I may say that the matter is under consideration now.

THE BUDGET.

Consideration of the proposed motion of Sir Thomas White (Minister of Finance) for the Committee of Ways and Means, resumed from Thursday, February 24.

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Speaker, this is the first time that I have formally addressed the House since you were appointed Speaker, and I wish to associate myself with the other members of this House who have offered you their felicitations on your elevation to that high and honourable position. The other day I had

the privilege of listening to the Budget speech delivered by the hon. Minister of Finance, and also the advantage of reading it afterwards in Hansard, and in my judgment the speech was concise, well arranged, and well delivered. But I thought I detected running through it a note of self-adulation because the hon. minister was not as extravagant in his expenditures this year as he was last year; and he seemed to take considerable satisfaction from that fact. There will be expended on ordinary account, or on consolidated fund account, some $10,000,000 less this current year, ending on 31st March next, than on the same account last year. But the hon. minister omitted to say that, on the same account last year, he expended some $48,000,000 more than was expended in 1911, and some $56,000,000 more than was expended in 1910.

The hon. minister compared himself with himself, but I wish to compare him with his predecessor; the hon. minister will not object to that comparison. When the expenditures, to which I have referred, took place in 1910-11, the revenues were abundant, and increasing rapidly. We were at peace with the world, and we did not have to consider anything beyond the development of this country, and beyond providing money for its development. At the present time, as we all know, we are engaged in a terrible crisis, in a world-wide war with a strong, powerful, and relentless enemy, and our resources are being taxed to their utmost. This is a time for economy in every branch of the public service; everybody has to practise economy except the Government. During this time of stress and trial the Minister of Finance, and some of his supporters seem to derive considerable satisfaction from the fact that he is expending even in this year from $35,000,000 to $38,000,000 more than was expended on ordinary account during the last year of the late Administration.

Coming to next year, the year ending March 31, 1917, the hon. Minister of Finance told us that the expenditure on ordinary account would be $135,000,000. I am taking into account the portion that can properly be charged to the war, because it is only fair to take that into account; but allowing for the $20,000,000 that he estimated he would have to pay in interest on account of war loans, and for the $2,000,000 for the pension fund, he would still be expending between $25,000,000 and $30,000,000 beyond what was expended in 1911. Is there any reason for this? Have public affairs been carried on better; has public business been better attended to; have the needs of the country been better looked after this year? Hardly any man will venture to answer yes to these questions. I have referred to the statement made in the Budget speech, but in the Estimates presented to the House, the hon. Minister of Finance, and the Government, are asking for some $30,000,000 more.

He is asking for $158,000,000 on Consolidated Fund Account. He has made the statement to the House that they did not intend to expend between $20,000,000 and $30,000,000 of that money. It appears to me to be a very strange thing indeed for the Government to prepare Estimates and submit them to Parliament when they do not intend to spend the money that they ask for. I do not know whether that is constitutional or not. It seems to me to be trifling with Parliament. There are only two reasons that suggest themselves to me why the Government should pursue that course. The first is that the Minister of Finance has lost control of his colleagues at the head of the large spending departments, if he ever had control, and he is obliged to come to Parliament and say that the Government intend to expend between $23,000,000 and $30,000,000 less than the Estimates in order to protect himself from his colleagues. The hon. Minister of Trade and Commerce (Sir George Foster) made a speech here the other night in which he advocated economy and declared that the time had arrived when everybody should practise that virtue. He further stated that he did not know whether he should speak along that line or not but he thought his grey beard and thirty-four years' experience gave him the right to speak in that way. I cannot help thinking that he spoke in the wrong place and to the wrong people. He should have addressed an argument of that kind to his colleagues at the Council board. Perhaps he did and perhaps they heeded not and he was appealing from them to Parliament and the country. If that is the case, and if the minister failed to make any impression upon his colleagues in regard to this important matter, his duty to himself and to the country is to leave the Government.

Another reason that suggests itself to my mind is that when preparing these Estimates the Government expected to have an election this year and they deliberately padded them in order to deceive the coun-

try. If that is the case we have a degree of political obliquity that is a discredit to the Dominion. In view of this extraordinary expenditure the Minister of Finance urges economy and the Minister of Trade and Commerce makes a strong and eloquent plea along the same lines. Is this large expenditure due to the fact that, after this Government came into power, to use the words of the Minister of Finance himself on a former occasion there was ushered in "an era of uncontrolled prodigality, utter wastefulness and reckless extravagance unparalleled in this or any other British country"? These are strong words, but I intend to prove their application to present conditions and to prove it from the Public Accounts themselves. This is the law and the testimony. I have the Public Accounts for the year ended March 31, 1915, and I invite the attention of the Minister of Finance to them. First, we will take the account we have been considering—expenditure chargeable to consolidated fund. As I have stated, I will compare the administration of the present Minister of Finance with that of his predecessor, and see how it will work out. The comparison is as follows:

Expenditure on Consolidated Fund Account.

		Yearly average.
1896-1911..	$876,985,606	$58,465,700
1911-1915..	473,128,655	113,282,164

Or practically twice as much. Is there any justification for that? Has the country benefited by that enormous increase in expenditure?

I will go on now to examine the acounts in the different departments which go to make up the total. I will take them as they occur here, not perhaps in order of their merit, or should I say demerit. I have given some attention to the Public Accounts, and it is a book that will pay perusal.

Collection of Revenue.

		Yearly average.
1896-1911..	$232,492,843	$15,499,523
1911-1915..	142,580,587	35,645,147

Or two and a half times—250 per cent—more. Then comes the account for other expenditures. I suppose this is the account into which are put miscellaneous matters that are not properly placed under any particular heading:

Other expenditures.

		Yearly average.
1896-1911..	$358,848,809	$23,896,600
1911-1915..	223,427,163	55,856,800

An increase in this account, under the present Administration, of two and a half times the average expenditure under the previous Administration.

The next account I will consider is that of Civil Government. That is an account that should not increase very rapidly from year to year. I understand that expenditures on that account are made up of the salary and expenses of the High Commissioner in London, the salaries of the lieutenant governors, the salaries of the Civil Service and expenses of the offices at Ottawa. The expenses, therefore, under this head should not increase very rapidly. Under the old Administration there was some increase with the growth of the country, but not much. I find that for the fifteen years previous to 1911 the total amount expended on Civil Government was $31,130,268, or an average yearly expenditure of $2,075,350. Under the present Government the expenditure has increased very rapidly. During the four years they have been in power they have spent under this head $21,649,896, or an average yearly expenditure of $5,412,474. Is there any reason in the world for that increase? Can hon. gentlemen opposite possibly justify it? According to a return brought down in the House last year, some eleven or twelve thousand employees have been added to the Civil Service in this city, and that, I think, largely explains the increase in Civil Government expenditure under this Government. Although the amount under this head is not very large, the comparative increase is simply enormous, and the country cannot stand it.

Now I come to the Immigration Department. Under the previous Administration immigrants came into this country by the hundreds of thousands. The cost of managing that department from 1896 to 1911 was $9,926,394, or a yearly average of $661,760. Under the present Government the expenditure has been $6,343,589, or a yearly average of $1,585,897; that is, although very few immigrants are coming into the country at the present time, the present Government is spending on immigration nearly three times as much per year as the late Administration did. Can any explanation be given for that increase? I say it is absolutely unjustifiable; to use the words of the Minister of Finance, it is "uncontrolled prodigality, utter wastefulness, and reckless extravagance."

The Indian Department. The previous Administration expended on this department during the fifteen years they were in power $16,752,817, or an average yearly ex-

penditure of $1,116,854. The present Government, in its four years of office, has spent $8,157,850, or an average yearly expenditure of $2,039,462, practically twice as much. Have the Indians increased in number, or are they better looked after than they were under the former Government? Can any reason at all be given for this increase? It is unthinkable that such a sum should be expended on this department.

Public Works Department. The late Administration during their fifteen years of office expended on public works $80,313,281, or an average yearly expenditure of $5,354,220. The present Administration in the last four years has spent on this department $62,164,036, or an average yearly expenditure of $13,041,000; more than twice as much.

The cost of collecting the customs revenue for the fifteen years previous to 1911 was $21,282,332, or an average yearly expenditure of $1,418,822. From 1911-12 to 1915 this Government has expended under that head $13,219,069, or an average yearly expenditure of $3,304,800; practically three times as much, and that is something to consider. Have these matters been considered in Council? Have these enormous expenditures received the consideration the Government should give them? Can the country stand such expenditure? A country can be driven into bankruptcy just as an individual can. Was it these expenditures the Minister of Trade and Commerce had in mind the other night when he spoke so eloquently and forcibly in this House? Yes. If so, he was speaking in the wrong place; he should have addressed those remarks to his colleagues. Of course, if he had already spoken to them, but without any effect, he did well to address his remarks to Parliament.

Now I come to the Dominion Lands Department, and this is the worst of all, because expenditure in that department is increasing all the time although the revenue is falling off; less work is being done, and more money expended. The previous Administration in its fifteen years of office spent on this department $5,736,870, or an average yearly expenditure of $382,460. During the last four years the present Government has spent on this department $11,727,381; very nearly twice as much as the cost during the fifteen years previous.

Mr. ROCHE: For the same service?

Mr. HUGHES: Yes.

Mr. ROCHE: The figures are quite wrong.

Mr. HUGHES: I am reading from page 73 of the Public Accounts Report, comparative statement of expenditures on consolidated account. As I said, this department is the worst of all, for the revenue is falling off. For the first time in thirty years there has been a deficit in that department in the last two years. I think the deficit in 1914 was $250,000, and last year about $900,000. The receipts over expenditure during the last year of the previous Administration amounted to over $1,000,000. I think some explanation should be given of this increase.

As I see the Postmaster General in his seat, I wish to call his attention to the fact that the previous Administration in its fifteen years of office expended on the Post Office Department $72,438,037, or an average yearly expenditure of $4,828,536. The present Government during its four years of office has spent $48,838,088, or an average yearly expenditure of $12,209,522; that is, they spend on the average practically three times as much as the previous Government did. Sir William Mulock, when he was appointed Postmaster General, introduced business principles into the conduct of his department, and the effect was very quickly seen. Under the Conservative Administration the deficit was about $700,000 a year for some years. During the first two or three years of Sir William Mulock's Administration the deficit in the Post Office Department was reduced, but not completely wiped out. After that a surplus was the order of the day, and I think that the surplus during the last year or two of the previous Administration was pretty nearly a million dollars. Under the present Administration the surplus quickly evaporated, and a deficit took its place. Under the late Administration the postage rates were reduced from three cents to two cents on domestic letters, and, I think, from five cents to two cents on letters to Great Britain and all British dependencies, a very large reduction; but notwithstanding that the business management of the previous Administration brought about the condition of surpluses to which I have alluded. Under the late Postmaster General (Hon. Mr. Pelletier) business methods were discarded, and patronage committees from the Atlantic to the Pacific took charge of the Post Office Department, and the results were quickly seen. The present Postmaster General (Mr. Casgrain)—I have not the

honour and privilege of his personal acquaintance—has, amongst those who know him best, the reputation of being an honest man, but those who know the late Postmaster General do not make the same statement about him. If the present Postmaster General is to sustain the reputation that he possesses he will have to get busy, because, although the receipts are increasing, the expenditures are rolling up, and so are the deficits. The deficit last year was $3,000,000; this year I understand it will be about $5,000,000, and yet the Postmaster General is asking, in his Estimates, for about $800,000 more than he asked for last year. That is a serious state of affairs. Can the country stand an extravagance of that chracter? It is time that the matter should be made known publicly, because very few men would believe that any Government would conduct the public business in such a manner. I have to borrow the language of the Minister of Finance in order to describe this extravagance properly, because I myself cannot do it justice. That is the situation so far as the civil expenditure is concerned, and there is practically no let up, even under the trying conditions through which we are passing at the present time.

Now, Sir, one would have thought that, when the war broke out and we were confronted with the enormous expenditure that would have to be made under war conditions, the extravagance that had been practised during the previous years would disappear, but it seems that, instead of that, the flood-gates were opened and grafters and middlemen from all parts of the Dominion flocked to Ottawa as flies gather around a molasses barrel. The revelations made in the Public Accounts Committee last year, although they only touched the fringe of the matter, shocked the country. In that committee evidence was submitted to show that, when representatives of business firms came to Ottawa to try to do business with the Government, they were told that they could not do it direct; that middlemen would have to be employed. Shaver, the Toronto representative of Bauer & Black, Chicago wholesale druggists, who made a specialty of field dressings, made the sworn statement before the Public Accounts Committee that, when he came to Ottawa wishing to do business with the Government, he was told that he would have to employ a middleman, and in that way Mr. Garland, the late member for Carleton, came into the business.

In Kings county, N. S., there were in regard to horse purchases revelations which discredited the country. Horses that were lame, blind, spavined, ringboned, windbroken, or old enough to be rejected at the time of the Boer war, were accepted and paid for, with very few questions asked. Of course, the men connected with this matter had to leave Parliament and were read out of the party. A few days ago I put upon the Order Paper a question asking the Government whether the horses that had been purchased for army purposes in Prince Edward Island and also in the other provinces were found to be suitable and satisfactory, and I got the answer "yes" in both cases. I was told that 114 horses had been purchased in Prince Edward Island, and I know that the Davidson Commission, after examining into that purchase, stated that everything was right; that the man who made that purchase had acted honestly and squarely with the Government; that he had got good value for the Government. But the Government left off buying horses in that province. What, Sir, can be thought of the answer which I received in reply to my question whether the horses purchased in the other provinces were suitable and satisfactory? The minister said "yes," and when I questioned the accuracy of his answer, he stated in the House a few days afterwards that he saw the horses that came from Kings county, N.S., and that he never saw a better lot of horses. That is the kind of information which we get from Ministers of the Crown, notwithstanding the sworn evidence before the Public Accounts Committee.

There is published in my province a paper which gets articles written in Ottawa or inspired in Ottawa, and in it I saw a statement that the speech recently made by the Minister of Militia and Defence had completely exonerated the Government from any impropriety in regard to the manufacture of shells and all expenditures of the Militia Department. I just want to read to the House an extract from the Daily Mail, a paper which is published in the city of Montreal, and which supports this Government. This paper, the president and managing director of which is a brother of the Minister of Finance, had this to say in its issue of January 28 with regard to the statement of the Minister of Militia and Defence concerning war munitions:

It is not so long since Sir Sam launched an attack of the stereotyped Hughes quality, at the head of Mr. D. A. Thomas, for the reason that the latter gentleman questioned the econ-

omic and other capacities of the old Shell Committee. Sir Sam then asserted in his vigorous cocksure manner, that all was well and no change would be required or would be tolerated.

But a change has been made; a reduction in price was brought about, and an increased production was thus secured. And now Sir Sam quotes this right-about-face as a justification of his wisdom or initiative.

General Hughes' comparison of shell prices in Canada and those in the United States, like a great many other statements made in his speech on the Address, are based upon information the sources or bona fides of which he does not establish or reveal. If these statements are in keeping with the General's allegations as to the politics of some of the so-called mushroom manufacturers of shells in Canada, they are not worth considering.

It will be remembered that in his statement the Minister of Militia said that as many Liberals as Conservatives—and he gave some names—were making shells. The Daily Mail says that a statement of that kind is not worth considering. The article goes on:

We are in a position to say that he has named exceedingly good Conservatives in the mushroom business, and styled them Liberals.

I want to examine for a moment a matter with which the Minister of Militia and Defence is most closely connected, and which concerns a contract given to the Midvale Steel Company of Philadelphia. In his speech in the debate on the Address, the Minister of Militia said that the people of Canada could do anything that any other people on the face of the earth could do; that they could manufacture anything that could be manufactured elsewhere. There was only one thing that we could not manufacture—shovels. That must have been the reason why a contract for 25,000 shovels at $1.35 each was given to the Midvale Steel Manufacturing Company. I am informed that at 500 different places in Canada these shovels could have been manufactured at from 30 to 35 cents each. Why was this order given to the United States firm? The only reason to be offered is this: no investigation could subsequently be held into the transaction. The people of the United States are not amenable to any court in Canada, not even to this Parliament, and no investigation into the giving of this contract could be held. Last session, over eleven months ago, I got an order of the House for the papers in connection with this transaction, and they have not yet been brought down. My impression is that the Minister of Militia and Defence has no intention of bringing them down; he intends to flout and disobey the order of the House. This year the matter is before the Public Accounts Committee, and some light may be thrown upon it; but certainly no thorough investigation can be held. In my judgment there are doings in connection with this transaction that are more reprehensible than anything that Garland of Carleton, Ont., or Foster, of Kings, N.S., did. It is known that a young lady, a stenographer and typist in the office of the minister, got a patent on a shovel and made perhaps $25,000 out of it. The thing was worthless; 6,000 of them were sent over to England, but never got any farther. Is it possible that a young lady in the minister's office could have had sufficient military knoweldge to enable her to invent a military tool or arm that the generals of Europe, with their years of experience, would not think of? This young lady has been made wealthy at the public expense, and my constituents have to bear a share of that burden. I do not want them to bear it; it is not fair that they should. There is no surer way of injuring the country than by destroying the faith of the people in the impartiality and rectitude of its courts. This is the highest court in the land; the Prime Minister has its honour in his custody. Garland and Foster are out of the party; they are punished to the full extent of the minister's power for doing something that, in my judgment, was not as reprehensible as certain things done by another gentleman who was recommended for knighthood.

4 p.m.

Considerable discussion has taken place in this House and in the press of the country with regard to shell contracts. That will be discussed at length before the session is over, and I shall not go into it now, except to say that the facts that I mention show the enormity of the graft which characterized the operations of the Shell Committee. The Minister of Militia says he is responsible for that committee, and that he will stand by it as long as it has a button on its coat. I just wish to mention that Mr. Jones, manager of the Canada Mr. D. A. Thomas, special representative of Mr. Lloyd George, secured by his intervention, the cancellation of certain contracts and saved Canada and the Empire $21,000,000 of excessive profits. These contracts were re-let at a price saving $21,000,000 in profits. It is not too much to say that there are men in the Dominion of Canada who will be multi-millionaires in consequence of some of the operations of the Shell Committee. An investigation has so far been refused by the Government, the reason advanced being

that the greater part of the money expended belonged to the British tax-payer. And that is our idea of loyalty, that is our idea of guarding the British taxpayer, who is carrying a burden at the present time, and will be after the war, greater than has ever been imposed on any man in the world, who is bleeding from every pore at the present time. And these super-loyal men are piling millions on millions of graft upon the British taxpayer—and yet the Government so far refuses an investigation! Other things are going on that are nearly as bad. There is at present pending in the city of Quebec a suit between a middleman and a reputable shoe manufacturing company. The John Ritchie Shoe Company is being sued by a Mr. Belmar for some $40,000 or $50,000 as a middleman's profits on 150,000 pairs of canvas shoes, an order for which he claims he was instrumental in getting from the department. This suit is contested, but a contract has been submitted, signed by the John Ritchie Company, acknowledging Mr. Belmar to be the middleman who obtained the orders for them, and it is known that on a previous order for boots they gave him a very considerable commission. The iniquity of the whole thing must be apparent to everyone. Under the present purchasing committee, which was appointed last year to do things properly, it appears that an order for trousers was given in Toronto at $40,000 more than the price at which the lowest tenderer was willing to make them. One company got a small portion of that order, some twelve thousand pairs of trousers, upon which they made an excess profit—because I presume the lowest tenderer was calculating on a profit—of over $6,000. That is going on at the present time, or it was quite recently ,and so it is all along the line.

Turning to the purchase of horses in Canada, I have been trying during this session to get some information from the Government in regard to their purchases of horses, but I cannot get any. Why should not the Government try to dispose of the surplus horses in this country? The situation appears to be that the Government started in to purchase horses for the Canadian troops—and we have seen the kind of horses they purchased. That discredited the horse industry of the country. Whether or not the horses were sent to Salisbury I am not aware, but I presume some of them were, and that they were very little good when they arrived there. Later on the Government put an embargo on the export of horses, they passed an Order in Council prohibiting the exportation of horses from Canada. Then, almost without warning, the men who came from Great Britain and France to purchase horses were turned out of the country; the Government would not allow them to purchase horses here and they went to the United States. That embargo, I understand, was removed, but there have since been no horse purchases worth speaking of in Canada, and there is a large number of horses in Canada for sale, probably one hundred thousand. I wish to refer to some answers which I received to questions placed by me on the Order Paper. On page 794 of the unrevised Hansard, these questions and answers will be found:

1. Did the British or French Governments purchase any horses in Canada for army purposes since 1st August, 1914?

2. If so, how many, and when did they stop buying horses in this country?

3. Has the Government made any representations to the Government of Great Britain or France in regard to the number of horses obtainable in Canada? If so, with what results?

4. Are the British and French Governments purchasing horses in the United States for army purposes?

5. When did the Canadian Government stop buying horses for military purposes?

Sir Robert Borden:

1. The Government is informed that the British and French Governments have purchased horses in Canada for army purposes since the first of August, 1914. I understand also that the French Government is buying horses in Canada at the present time.

2. The British Government has not been purchasing horses for some months; I think since about November. I would not feel at liberty to give information to the House as to the number of horses purchased as it would be against the policy which the British Government has pursued in such matters. The British Government does not give information as to the numbers of horses, or munitions, or anything of that kind which they purchase.

3. Representations were made to the Government of Great Britain with regard to the number of horses obtainable in Canada, and the British Government was asked to communicate these representations to the French Government. The result was that in August last an arrangement was made between the British Government and the French Government, by which the French Government should be permitted to purchase horses in this country.

4. The Government is not aware whether the British and French Governments are purchasing horses in the United States for army purposes.

5. The Canadian Government stopped purchasing horses for the reason that an arrangement was made during the past summer by which the British Government would purchase whatever horses might be necessary, not only for the British forces but for the Canadian forces as well. That arrangement was made in the early part of August, and I believe that since about that time the Canadian Govern-

ment has not been purchasing horses for military purposes.

Remember, the Prime Minister stated that he could not give me the information in regard to the number of horses purchased by the British Government, or anything of that kind. I have here clippings from the Ottawa Journal which are of interest in this connection. They are as follows:

Kansas City, Mo., Feb. 18.—No more American horses for use of the British forces will be purchased for some time at least, according to Major General F. W. Benson, of the general staff of the British army, who is in charge of the purchase of horses. The British Government has secured enough horses for the next three years.

New York, Feb. 18.—Records of the exports of horses to Europe show that more than 500,000 horses valued at $125,000,000, have been shipped there from this country since the beginning of the war.

The prices show a declining tendency. The average price in 1914 was $240, against an average of $207 in November last.

So it appears that the Major General, who is purchasing horses in the United States for the British army, gave out the information that we could not get in this Parliament. It appears also that the British authorities have purchased half a million horses in the United States at a value of $125,000,000, while the farmers and stock breeders of this country cannot sell a horse, and the Government appear to be helpless. Whatever interference, whatever action they took, would appear, so far as we can discover, to have been futile. Their Order in Council appears to have been ill-advised. Sending the representatives of the British and French Governments to the United States to purchase horses was surely a suicidal act. It reminds me of what the Agricultural Department did some years ago in sending an officer of that department to Washington to tell the people of the United States that our potatoes were diseased and should not be allowed into that country. Horses are what the British and French armies want, and if the Canadian horses are not sold for army purposes, they will not be needed at all, for there is no local demand for them. Is there any reason in the world why an industry in which the farmers and the stock breeders of the country are so deeply interested, should not find a market if the Government would only interest thmselves in securing it? But they seem to have done nothing; they have simply destroyed the horse trade in this country. We read in the despatches that the British Army have secured in the United States sufficient horses for the next three or four years, so that we cannot expect to sell horses in this country for army purposes, and the surplus stock now on hand will be practically useless.

I would like to read a part of the answer to a question which I put to the Prime Minister. The Prime Minister in his reply said:

1. The Government is informed that the British and French Governments have purchased horses in Canada for army purposes since the first of August, 1914. I understand also that the French Government is buying horses in Canada at the present time.

I then put a question on the Order Paper asking where the French Government were buying horses in Canada, and what the names and addresses of the parties representing the French Government in this country were; and the answer of the Prime Minister—I am not able to put my hand on it at the moment—was that he could not give me the information. He understood that the Hudson Bay Company was doing something in that line, but he was not sure; that was the purport of the answer. That is the condition of affairs; the Government do not seem to know anything at all about the matter. If they do, they will not give the information. Why should there not be some place at headquarters in Ottawa where information of this kind could be obtained? Why withhold this information? Why should the Government not be pleased to give the members of this House such information, information that they could convey to the people. They should be willing to get the information from any source in regard to a matter of such importance to the farmers and stock breeders of the country. There seems to be something radically wrong in regard to the matter. If the Government have information in regard to it, they are withholding it for some reason or another not yet understood, and in all probability no information will be forthcoming. But this matter will be fully investigated before this session ends.

Sir, I have brought to the attention of the Government some matters which I think deserve consideration. In the dying days of the old French regime the Intendent Bigot, and those associated with him, introduced into the colony a carnival of corruption, graft and dishonesty. We are not in that position; but we are at war, and a great many people in this country are taking advantage of the war to make pat-

riotism pay, and some of them are the men who most loudly proclaim their loyalty. The Government are either protecting them or they seem to be powerless. Notwithstanding the revelations that were made in the Public Accounts Committee last session, the people of this country did not slacken their efforts or moderate their determination to see this war through. When demands were made upon them for the Patriotic Fund, for the Belgian Relief Fund, for the Red Cross Society, and for other funds, everybody responded. In my own small town, when we heard that there was a scarcity of machine guns at the front, and that our soldiers were not having a fair show against the Germans, we subscribed to a fund to purchase three of those weapons. One man alone subscribed an amount sufficient to purchase a machine gun. He could afford it; he is a member of the other Chamber. Another man in very moderate circumstances subscribed for another gun, the town collected money to purchase a third, and that same man subscribed $300 to the second fund and was ready to give everything he possessed in the world to help on the war. That is the spirit which animates the people. Even the school children subscribed, giving their pennies. But while that is the spirit among the ordinary people of this country, the grafters are getting away with their millions, and the Minister of Militia and Defence says he will stand behind them while there is a button on their coats. That is the state of affairs.

Mr. BURNHAM: I may point out that when you wish to shield a man you stand in front of him, not behind him.

Mr. HUGHES: That is very smart. The people of this country will see the war through; they are determined upon that, but when it is through I think they will turn their attention to the men who betrayed them, to the men who have made enormous profits out of the terrible crisis through which we are passing—who are making money out of the agony of the nation.

Mr. W. S. LOGGIE (Northumberland, N.B.): Mr. Speaker, before addressing myself to the subject matter before the House, perhaps it would not be out of order if I referred to an incident that happened when I last addressed you. It was my pleasure on that occasion to congratulate you (Mr. Rhodes) on your elevation to the position of Deputy Speaker, and I regret that I have not the pleasure on this occasion of addressing the Speaker of the House, because I have not addressed the House when that gentleman was in the Chair, and I would like to tender my compliments to him.

I want to say, with reference to the circumstance that I have already referred to, that when I was addressing the House a voice came from my left saying that there was a bad fire. I cast my eye to the left and I could see a reflection in the hall. The rapidity with which the fire seemed to surround the chamber was marvellous. Within a few moments I rushed across the House, but I was not able to find an exit. I, with six other hon. members, made two attempts to find an exit, but failed. A short time afterwards we got through the same door as that at which we had previously failed. It is regrettable that on that occasion some persons unfortunately lost their lives, and especially in this connection I would refer to our late colleague, the hon. member for Yarmouth (Mr. Law), and I desire publicly to express my heartfelt sympathy with his wife and daughter in their bereavement. I think I should also congratulate the members of the House and those who were in the Parliament buildings at the time upon their wonderful escape under the circumstances.

Now, allow me to make a few remarks on the subject matter before the House. We are told by those in authority that we require half a million men from Canada to go to the front in order to win this war. The hon. Minister of Finance (Sir Thomas White) tells us that we need $250,000,000 for war purposes this year. I am sure we are all impressed with the fact that men and money are needed to maintain the rights and privileges that we at present enjoy. My son, who has been in the trenches in France, and who was wounded in October of last year, said to me in a letter recently that it would take money to win this war. What we are able to offer, whether it be men or money, we shall offer, I am sure not grudgingly. We have volunteered to raise half a million men, and we are endeavouring to devise means by which we can raise $250,000,000 to pay the cost of what we have so laudably undertaken in our desire to aid the Empire at this time.

The question comes to me: what is our urgent duty on the present occasion? That brings me to the statement which has been

made to the House by the Minister of Finance. That hon. gentleman intimated that there were in the Estimates votes to the amount of about $30,000,000 that the Government does not propose to expend this year. In these critical times, in these days when we have extended the life of this Parliament—our own parliamentary life, if you like—we might depart from the procedure of the past and eliminate votes that we are told it is not intended to expend during the coming fiscal year. I commend this suggestion to the Minister of Finance. It seems to me that under the present circumstances it would be a move in the right direction. Another suggestion I would make to the Government is that we, as a people, and as a House of Commons, should rise to the dignity of the occasion and adopt the attitude towards public affairs which was so ably presented to us by the hon. junior member for Halifax (Mr. Maclean), and by the hon. Minister of Trade and Commerce (Sir George Foster), who spoke with particular reference to what I might describe as the patronage system disease. This disease is working into the very vitals of our country and undermining our best interests. I agree with the Minister of Trade and Commerce in the statement that really no good comes from it to any party, but that in the end nothing comes from it but evil. In every town, as I understand it, where soldiers are billeted, orders for supplies are given out by a patronage committee. A patronage committee tells whom to ask for prices for supplies, and notwithstanding that a firm may have the necessary stock, is doing a legitimate wholesale business, and could supply the goods at reasonable prices, it is passed over, and firms named by the the patronage committee are asked to supply the necessary food for the soldiers.

Mr. CARVELL: And without tender.

Mr. LOGGIE: And without tender. We are giving our life-blood to pay for these goods. You propose to tax my earnings to pay for these goods and yet you say that all the firms in a town that are to pay should not be treated alike. I think that this is an opportune time to cut the patronage system out of our political and national life. Let us be as one man in our stand for liberty based on righteousness. If eternal vigilance be the price of liberty, it is the price we ought to pay to-day to maintain a standard of liberty based on righteousness. We are paying the price in money and blood to maintain our liberty. Surely this is a time when we should rise to the occasion and cut out this evil of the patronage system. Our King and his representatives call to us for men and money. We are responding to that call to-day and to-morrow shall be as to-day, but the response will be much more abundant.

That brings me to the resolution which has been proposed as a means of securing a portion of the money that we require to carry on the affairs of the country and to meet the interest on the money borrowed for the prosecution of the war. I see that the resolution is divided into two parts, or rather it refers to two classes of persons or companies as being subject to taxation. One class is spoken of as incorporated companies and the other as " persons." It is laid down that the expression " person " means " any individual or person and any partnership, syndicate, trust, association, or other body, and any body corporate," etc. There is one point on which the minister might enlighten me right now. I suppose there are companies that are bodies corporate but are not really incorporated. I am not quite clear why such a company should not be called a partnership, instead of a body corporate. If there is no such thing as a body corporate, outside of an incorporated body, the minister has no right to say that a person is a body corporate and tax all his profits above ten per cent. It does seem to me that the term "body corporate" is not in its right place. Perhaps the minister will explain.

Sir THOMAS WHITE: I have not had my attention drawn to the point to which my hon. friend refers, but I shall be very glad to look at it with a view to discussing the matter when we are in committee on the resolution.

Mr. LOGGIE: The other clause refers to incorporated companies, and I think every hon. member clearly understands what an incorporated company is. The minister, however, in his speech the other day said:

> It will be observed that incorporated companies are taxed upon a higher basis than individuals and partnerships. The reason for this is that capital in the case of joint stock companies frequently represents intangible assets or capitalized earning power or good will.

Even if that were true, I think that if we are to put this legislation on the statute book, we ought to be big enough to undertake to arrive at a fair valuation of those assets. That should not be an impossibility; and if it is, the resolution as brought down should be amended before being dis-

cussed in Committee of the Whole. The minister goes on:

> We found it a practical impossibility to go behind the capitalization of companies and endeavour to ascertain the precise cash value of their assets as can be done in the case of individuals or partnerships.

There should not be any great difficulty in doing that, although of course it might not be easy to arrive at the precise value of the assets. But I venture to say that the Government will not be able to arrive at the precise value of the assets of any company or person. Would the minister undertake to say that he will be able to arrive at the precise value of the assets of the J. R. Booth Company of Ottawa, for instance? I do not think he will. And yet he is providing for that being done, for I understand the Booth Company is not incorporated. I do not think we should let these apparent difficulties stand in our way. If we are to collect taxes in this way let us treat the people of the whole Dominion alike, let us do the thing fairly and equitably. I maintain that under the present proposals there will be positive discrimination. I of course realize, as the Finance Minister says, that there will be difficulties, but they should not be insurmountable. We ought to be able to arrive at a fair value of the assets of any company doing business in Canada. The Minister of Finance illustrated the difficulty in this regard as follows:

> The cases of railway, public franchises, and so-called holding companies, mining and other corporations, illustrate the difficulty to which I am referring. In addition there is the further fact that shareholders have purchased their shares and receive their dividends upon the basis of issued capital stock.

I do not care one iota what dividends shareholders have received upon the basis of issued capital stock. To me the only fair thing seems to be to put all the companies in Canada on the same basis; we should value the assets of every company in Canada, and form a reasonable fair value of the assets, deduct all direct liability. That would give us the capital on which the money is made, and that, I take it, is what the Government really desire to tax. It cannot possibly be that the Government desire to tax anything other than the earnings of a certain amount of money invested in a business.

I think this resolution is unfair in another regard. I have read the minister's speech very carefully, and I cannot see that he has explained why the profits of an individual or partnership should be taxed only above ten per cent, while incorporated companies with the same amount of capital are to have their profits above seven per cent taxed. Is that fair? Let me give an illustration. Suppose I started an incorporated company twenty years ago, with an original investment of $100,000. That $100,000 is not sufficient to enable me to carry on the business, and I borrow money in the ordinary way of business. Supposing in ten years I have made $10,000 a year. As I am indebted outside, and the business is expending, the money is left in the business with the result that in ten years I have a surplus of $100,000. I go on, and in ten years more have a surplus of $200,000. That gives me a surplus of $300,000 last year, and that $300,000 has earned me $21,000. What would be my position with relation to this resolution? If the resolution carries in its present form my position will be this: My original $100,000 will have earned $21,000, and I shall be called upon to pay one-fourth of $14,000, or $3,500, whereas I have earned only seven per cent on the total capital. But the hard part of it is that if I were an ordinary company, I would not have to pay a cent, because I would be entitled to 10 per cent on $300,000 That is not equitable, and the minister ought to make some announcement before this resolution is passed and amend or add something to it so that we can discuss what the minister proposes to do in order to get out of this difficulty.

I do not understand why the minister has arbitrarily fixed $50,000 as the capital for a person and not fixed any sum for an incorporated company. Let me illustrate how unfair that is. Suppose I form a partnership with my friend, Mr. Turriff, in the dry goods business in a town of five or ten thousand people; I invest $30,000—and $30,000 invested in dry goods in a small town will give a very nice stock and will enable us to compete with any other person or firm doing the same class of business. Suppose I make ten per cent, fifteen per cent, or twenty per cent on the $30,000—

Mr. MICHAEL CLARK: Too much.

Mr. LOGGIE: I admit it is too much, but under this resolution not one dollar would I be asked to pay to the Crown. If, however, I should have been unfortunate enough to join my hon. friend (Mr. Turriff) in an incorporated company and put that $30,000 into it, and carried on the same business and made, say, only 8 per cent, I would have to divide with the Crown, the one per cent over the seven. Therefore I cannot for

the life of me understand why the minister intends to discriminate against an incorporated company doing business in a town of five or ten or fifteen thousand people, or, if you like, in a city. I have in mind at the moment an incorporated company doing a boot and shoe business in one of the western cities, and having a capital of $7,500, and a surplus of $5,000. A neighbouring boot and shoe store might have the same capital in a partnership company, but whereas the incorporated company would have to pay taxes to the Crown, the partnership company would escape scot free.

Sir THOMAS WHITE: The limitation of $50,000 of capital applies to firms, individuals and partnerships as well as to joint stock companies. If my hon. friend will look at section 4 of the resolution, he will find that it is perfectly plain.

Mr. LOGGIE: Yes, I see. I did not understand. I thought that the $50,000 applied to incorporated companies and not to partnerships.

Sir THOMAS WHITE: It applies to both.

Mr. LOGGIE: The minister has answered that question. Will he tell me why he asks an incorporated company to pay on its earnings over 7 per cent while he does not ask a person to pay until he has earned over 10 per cent? I have endeavoured to think out what the reason can be, but I cannot understand it. I can understand that in large corporations 7 per cent may be considered a fair earning for the money, but I cannot understand why J. R. Booth should be able to keep his money up to 10 per cent on his earnings, while the W. C. Edwards Company cannot keep theirs when they get beyond 7 per cent.

Mr. MURPHY: That is an awkward case.

Sir THOMAS WHITE: I prefer to deal with the matter in committee, because it will take me some little time to give he necessary explanation, and probably this is not the best time to do so.

Sir GEORGE FOSTER: It would break up the hon. member's speech.

Mr. LOGGIE: It is not fair that a limitation should be put upon capitalization, and I cannot understand why the minister should arbitrarily fix the capitalization at $50,000. Why should a man who has a capital of $50,000 have to pay taxes to the Crown, whereas another man doing business beside him with a capital of $49,000 is not called upon to pay one cent? I also cannot understand why one class of firms should have the benefit of 10 per cent interest and another the benefit of only 7 per cent. These are inequalities that ought to be cleared up before the resolution is passed.

The minister was not in the House when I referred to the valuation of intangible assets, and I think he should be able to overcome that difficulty by consulting experts and framing legislation in such a way that all classes of the community, all business interests, will be affected alike, so that one class will not have an advantage over another, because competition is very keen, and it is inequitable if one firm has to pay three or four hundred dollars into the treasury and another firm doing business beside it is exempt. I hope the minister will try to make this a matter of equality; I hope he will see to it that all business interests contribute alike to this laudable work. As the Finance Minister suggested, we all wish to pay our share, but we on this side of the House naturally think that the Government should set the country a good example by cutting down their expenditure as much as possible. In England the public are asked to economize; surely we in Canada also ought to economize. When you ask the people to economize, you cut down the profits of the men who are doing a general store business throughout the country, in the large as well as in the small towns. It seems to me, therefore, that this is a matter which will require consideration before the resolutions proposed by the Finance Minister are adopted.

I should like to congratulate the Minister of Trade and Commerce and the Finance Minister upon the titles which have recently been bestowed upon them. Forty years ago I heard the hon. gentleman who is now Minister of Trade and Commerce deliver in Fredericton a lecture on temperance, with Sir Leonard Tilley as chairman. I have not forgotten that occasion. I have heard the hon. gentleman deliver many eloquent speeches since that time. I recollect an address that he delivered in 1907 or 1908, when he bewailed the taxation that the then Government were imposing upon the people of the country, asserting that they were taking out of the pockets of the people probably 100 per cent more than his party had taken from them when in power. If the hon. gentleman were on this side of the House now, how he would bewail the taxation that the Government is imposing

upon the people. On another occasion I heard the hon. gentleman deliver an address in this House on the navy question, when he said that we should give not money, but something tangible. I have not forgotten that address; it was grand. I heard him on another occasion, when, I think, he was not sane; at the time of the Drummond and Arthabaska election he gave insane advice. Now, however, I congratulate him for rising to the dignity of the occasion when he addressed the House a few days ago.

Sir GEORGE FOSTER: Life is a series of contrasts.

Mr. LOGGIE: I join hands with the hon. minister in the stand that he takes with regard to the patronage system, which, as he says, has resulted in dry rot. I assure him that I should be glad to join with him in bringing about the good result that would accrue from doing away with this patronage sytem. Let us unitedly make new resolves in this day of our prolonged parliamentary life. Let us rise to the occasion and eliminate all that is wrong in connection with the patronage system; let us, when we go before the people, do what we can to see that no undue influence is brought to bear upon the electors. All that demoralizes political life ought to be stamped out. It behooves the hon. Minister of Trade and Commerce, having in regard the high tone of his last address, to lead the way; if he does so, I am sure that he will have a great many faithful followers.

In closing, I think it falls on me to express my sympathy with those of my country who have lost sons in the cruel conflict that is now taking place in Europe. To those who have been maimed for life I extend my deepest sympathy, expressing the hope that the Government will give due regard to their requirements and to the requirements of all those who are entitled to the benefits of a pension fund. No doubt this matter will receive proper attention at the proper time; meanwhile, to the bereaved I extend my deepest sympathy on the occasion of their loss.

Mr. J. G. TURRIFF (Assiniboia): Mr. Speaker, the Budget that has been brought down by the Minister of Finance is a new departure in the history of Canada. The imposition of a direct tax on capital is, in my judgment, a step in the right direction, and in that respect I offer the Minister of Finance my congratulations. In bringing down the proposal to tax industry, I think that the hon. minister has not been desirous of making party capital; in that respect his Budget is free from partisanship. I should like very much if I were honestly able to congratulate the Minister of Finance that in that part of his Budget relating to changes in the customs tariff he had refrained from indulging in any partisanship. But, Mr. Speaker, knowing the circumstances as I do, it is impossible for me to absolve my hon. friend.* I think that personally he would prefer not to introduce partisanship into the Budget in any shape or form, but, if that was his desire, certainly he allowed his colleagues to put one over on him.

5 p.m.

Only two changes in the tariff are proposed. One is the raising of the duty on apples from 40 to 90 cents a barrel; that is, an extra duty of 50 cents a barrel is imposed on apples coming into Canada. Why was this done? For whom was it done? The Minister of Finance stated that it was done for the apple growers of British Columbia in particular and of Canada in general. The hon. minister knows as well as I know, and as well as any hon. gentleman in this House knows, that the extra duty that he is putting on apples will not materially affect the conditions in the lower provinces; he knows that it is not going to affect the condition in Ontario to any extent. The only province to which it applies is British Columbia. Why has the minister done this? In order to protect and assist the apple growers in British Columbia. My hon. friend is ever ready to protect the farmers when they ask for duties, but he is not at all ready to listen to them when they ask to have duties taken off. For one farmer in British Columbia who grows apples, there are a hundred on the prairies who grow wheat. These hundred men have for years come down here demanding the removal of duties, and the Minister of Finance has on every occasion turned a deaf ear to them; but as soon as one man, one per cent of their number, comes from British Columbia and asks that a duty be put on, my hon. friend comes to the rescue at once and puts a duty on apples. What is the result? Every man on the prairies must in future pay fifty cents a barrel extra for his apples, in some cases a great deal more. In my part of the country apples come in by the carload for the American towns just a mile or two south of the boundary line. They are shipped in bulk as we ship potatoes or wheat.

These are second-grade apples, windfalls, and they are sold from the car at from twenty-five to thirty cents a bushel, and shovelled into the farmers' wagons. Then, our farmers are accustomed to purchase ten or twenty bushels and team them home, paying the small duty that has hitherto been imposed on apples. But my hon. friend comes forward and says, "You must pay more than double what you paid in former years." That is the way it works out, and why? To protect a few apple-growers in British Columbia. I said a moment ago I was sorry I could not exonerate my hon. friend the Minister of Finance from being touched with partisanship in this matter, perhaps not intentionally. My hon. friend is the last man in the House to whom I would wish to do an injustice; but somebody has put one over him, for I say that that duty was put on apples not so much to protect the farmer as to protect the discredited politicians in British Columbia. There are by-elections taking place there to-day, and the general elections for the local House are coming on within the next two or three months; and in order to try to save the practically defunct Government in British Columbia my hon. friend and his colleagues put a duty on apples, and every farmer on the prairies has to pay the piper. That is the state of things we are up against. My hon. friend refused the ten thousand farmers their demand for free wheat. He did it, he said, in the general interest of the country. The farmers could not be listened to. But in this case, in which the proposal is against the general interest of the country, when only a few are to benefit by it, the voice of the farmer is listened to. Nobody in Canada, so far as I have been able to learn, has during the past few months asked for this duty on apples; there has been nothing in the press about it, so that it is easy to see that it is a put-up political job to help out the political friends of the Government; and the farmers of the Prairie Provinces are the people who have to bear the brunt. Not only are they not allowed to have duties taken off, but they are not permitted to secure a market. It was bad enough to be refused that market, but now the Government come along and say: "Not only will we not take the duty off your wheat so that you can sell in the American market, but in addition we will put another load on your back and make you pay fifty cents more for every barrel of apples you buy for your family.

Mr. PUGSLEY: Is that not about nine times the United States duty against Canadian apples?

Mr. TURRIFF: I am not able to answer that.

Mr. PUGSLEY: The duty on apples entering the United States is ten cents a barrel.

Mr. TURRIFF: And this is done to protect the British Columbia apple growers, while a few years ago those very British Columbia apple-growers voted almost solidly to refuse the American market for their apples, a market that would have been open to them had we obtained reciprocity, a market that is within easy reach, because, as every hon. member in this House understands, in British Columbia the rivers and mountains and valleys all run north and south, so that you can ship fruit into the United States from the apple-growing portions of British Columbia at a very much lower rate than to Vancouver or Victoria, where the great bulk of the population of British Columbia is, or to the prairies of the West. In the past we on the prairies have been getting apples from British Columbia, and why is it necessary to put on the duties to keep American apples out? Simply because we could buy the same class of apples from the United States a great deal cheaper than we could get them from British Columbia, and the market that was most suitable for British Columbia was closed by the votes of my hon. friends opposite. Now they come complaining when they get exactly the result that they voted for in 1911, and want to tax practically everybody in the Dominion of Canada in order to keep up that industry, whereas the industry would flourish if it had the American market in which to sell its product; because it must be remembered that our apples ripen later than those of the United States and would command a better price. The same thing applies to all fruits.

My hon. friend has put an extra duty on oil. I shall not discuss that at length because, unfortunately, I do not understand exactly what the tariff means. It seems to give a reduction in one case, but in the other it apparently means an increase of 7½ per cent on the illuminating oil used by the people on the prairies and all over Canada. As I understand the proposition, it is that oil coming into Canada to be refined shall be charged an extra 7½ per

cent. Well, if you charge the refiner 7½ per cent extra, you are going to charge the consumer probably 15 per cent extra. I may be wrong in my understanding of this proposition and perhaps the minister would explain it.

Sir THOMAS WHITE: It is on fuel oil, not on illuminating oil.

Mr. TURRIFF: I am glad to hear from the minister that it does not apply to illuminating oil, because that is the chief article of light used generally throughout the country. I shall say no more about the oil duty, because I am not very well posted on it. I am glad to know that in some cases there have been reductions.

We have heard a good deal in this House since the debate started about this being a farmers' budget, and some speakers on the Government side have taken credit to themselves because the farmer is not taxed under it.

Some hon. MEMBERS: Hear, hear.

Mr. TURRIFF: My hon. friends opposite say, hear, hear. I have been now some thirty-five years in public life. I have represented my constituency for a good many terms, in both the local and the Dominion Houses, and I have never once, in the course of my life, heard a farmer complain at having to pay his fair and proper share of taxation. The farmers of the western prairies are readier than any people on the face of the earth to pay their fair share of taxation. They are not asking for exemptions. Why should a cattle rancher who has 5,000 or 10,000 head of cattle, and who makes a profit of $10,000 or $20,000; or a farmer who puts by $10,000 or $15,000 or even $5,000, after he has paid all the expenses of producing his crop, not pay his fair share of taxation as well as any other man? There is no farmer who would object to that proposition; at all events, I have never met one. What the farmer objects to is being taxed up to the neck on everything he buys, on everything he uses to produce his crop, and not being allowed to sell his crop where he can get a market for it. He is hit at both ends; that is what the ordinary farmer objects to; it is not to paying his fair share of taxation.

The farmers of the West, and of the East as well, have responded readily to every call made upon them, whether it be in the way of contributing to the Red Cross fund or the Patriotic fund, or other funds. They have done their share in that respect, and it would not be to their credit if a law were passed exempting them from taxation. Last year the farmers in three of the prairie provinces, in convention assembled, passed unanimous resolutions calling on the Government to impose a single tax, which meant taxing their farms. In that case every farmer would be obliged to pay a tax, whether he was making a profit or not. Do you think then that these men, who asked that the revenues of the country should be raised by a tax on their lands, would object to paying a fair share of taxation out of their profits? No, Mr. Speaker; any minister who would so judge the farmers is mistaken. Give the farmer fair play in the matter of duties, and give him a free market, and he will not complain about paying his share of taxation.

I am very glad, however, that my hon. friend the Minister of Finance has resorted on this occasion to a system of direct taxation. Why did my hon. friend take up that new position? It was simply because he was driven to it, simply because he was unable to raise any more revenue by increasing the customs duties. My hon. friend is fortunately in the position this session to say that the revenue for last year was greater than had been anticipated; but let me point out that it was not because of the 7½ per cent extra tax that he put on last year. Let me remind my hon. friend, and this House and this country, that in spite of the extra 7½ per cent tax, for several months after the new duties came into force last year, the revenues kept falling. For several months after the new duties came into force, the revenue was not increased; it was, in fact, less than for the corresponding months of the previous year. What was the cause of the extra revenue last year? There were two, and two only, and neither was the 7½ per cent extra duty that was imposed. The two causes that contributed to the increased revenue were: first, the goods imported, a great deal of which were for the manufacture of munitions of war, and second, the bountiful harvest all over the Dominion. On the western prairies during the first few months of the shipment of the last crop, over 200,000,000 bushels of wheat went east of Winnipeg. The price paid for that immense quantity of wheat and the cost of freight for carrying it down to Fort William, represented a large amount of money going into that country; and then you can add the money going in for cattle, for hogs, for oats, for flax, for barley, and for all the products of the farm that were going east

or south. It was that condition of affairs which increased the revenue that my hon. friend was so fortunate to get during the first few months of this year.

I have several objections to the proposed taxation, but the main objection I have is this: the minister proposes to treat the honest business man exactly as he would treat the dishonest munition manufacturer who makes a huge fortune by robbing this country and Britain. The minister puts that class on exactly the same footing as the conservative business man who has been in business all his life, and who carries on a straightforward, legitimate business. Will any one tell me that that is a fair proposition? Will any one say that it is fair to put the regular business man on the same footing as the members of the old Shell Committee who acted simply as a committee to hand out to themselves contracts by which they made millions and tens of millions of dollars, which they were not entitled to make, and which any decent Government would not have allowed them to make? If the Government did their duty they would take at least half of the profits of these munition manufacturers in taxation. But what have they done? As I said a moment ago, they put that class on exactly the same footing as my hon. friend here (Mr. Loggie), who has been in businesses all his life, and who carries it on in a legitimate manner. Is it fair? Is there any equity in that? Is it reasonable? I venture to assert that there is not a business man in Canada who would object to pay this war-tax if it were evenly levied. If business men were called upon to pay approximately the same, you would not have one word of complaint from one end of the country to the other. But are we called upon to pay the same? No, not in any degree. I venture the assertion that, if my hon. friend the Minister of Finance had properly taxed the munition manufacturers, he would have secured a large sum of money, and as for the balance of the $30,000,000 or $35,000,000, which he expects to get out of this tax, he could have saved every dollar by a little economy. Why should it cost $50,000,000 more to run this country to-day than it did four years ago, when the Liberals were in power? Have we any more population to-day than we had then? If we have, it is very little. Is the country any better able to pay taxes than it was then? I think every man will answer that it is not as well able. Still this Government, instead of cutting down expenditures, prefer to tax the people. Suppose my hon. friend the Finance Minister went to each voter in the country and said to him: "Do you prefer that I should tax the munition manufacturer, who has made his ten of millions; do you prefer that I should take half of his profits, and that for the balance of the $35,000,000 which we require we should cut off $25,000,000 of expenditure? We are expending $50,000,000 more than our opponents did four years ago; do you want us to cut off $25,000,000 of that and get the balance that we need from the munition manufacturer, or do you prefer that we should tax your industry to get that money? What would the answer be? I can tell my hon. friend what the answer would be. There would not be one man in a hundred who would support his proposal if he had the option of supporting or rejecting it.

Let my hon. friend take warning by what happened yesterday in the county of Peel. The people of Canada are being roused up about the way the money has been handled in connection with this war—squandered by tens of millions of dollars. My hon. friends opposite seem to think it is all right. Mr. Fallis thought it was all right and the hon. member for Peel (Mr. Blain) thought it was all right. With the support and backing of the Ontario Government, and with the backing of this Government up to the hilt, their candidate was defeated, there being a change of something like a thousand votes. Let my hon. friends opposite take warning by that, let them realise that it is the handwriting upon the wall, because, if they do not take warning they will get a rude awakening whenever they go to the country. Talking to-day to one of my Conservative friends, something was said about the election in Peel, and he remarked: Well, thank God, we got an extension of Parliament for one year. Well is it for the Government that they have got an extension of Parliament for one year, but it would be well for my hon. friends not to rely too much upon that, because a year goes around very quickly, and if they do not mend their ways with regard to the expenditure of money in connection with this war they will find that a great many counties will follow the example of Peel when they next confront the electors.

Let me refer to another item in the Estimates. During the Liberal regime we had two-cent postage in Canada, and under the administration of Sir William Mulock and of my hon. friend from Rouville, the ex-

Postmaster General (Mr. Lemieux), we had, after the first year or two, a surplus every year running up, I think, to as high as $1,000,000. Our friends opposite came into power and the surpluses gradually melted away until they vanished altogether, and we had a series of deficits. The Government, in order to avoid a deficit last year, raised the postage to three cents on letters and two cents on post cards, an increase of from 50 to 100 per cent. What was the result? This year, I am told, we may look for a $5,000,000 deficit. They have a deficit of $5,000,000, notwithstanding an increase of from 50 to 100 per cent in the postage rates. Why? Simply because they have departed from the ordinary business methods that had been adopted by my hon. friend from Rouville. Now contracts are given without competition, and money is squandered in every direction. I do not know that the present hon. Postmaster General (Mr. Casgrain) is entitled to very much of this blame, but his predecessor is. His predecessor, the Hon. Mr. Pelletier, now Judge Pelletier, of the Quebec bench, is the man who brought this about. He was one of that little coterie in the Government who believe that the way to keep a party in power is to be extravagant, to spend money, to get big election funds, and to spend them corruptly in order to corrupt the people. We have seen examples of that in Manitoba, and we have seen examples of it here. What has it done? Landed the Post Office Department, after a 50 to 100 per cent increase in the cost of postage, into a series of deficits that is culminating this year, I am informed, in a deficit of $5,000,000.

The Minister of Finance told us that the only way in which we can save this country, and put it into a position to handle our immense debt after the war is over is by the practice of economy. I quite agree with my hon. friend that that is the proper position to take; I quite agree that that is what we should do, and I agree, also, that people all over the country, rich and poor alike, have been practising economy all through this war—all except the gentlemen on the Treasury benches and those behind them when it comes to spending public money. Where has any saving been attempted by this Government? Where have we had any evidence of economy on the part of the Prime Minister or the Minister of Finance? There is not a single sign that they contemplate economy. The only evidence we have is the speech made by the hon. Minister of Trade and Commerce (Sir George Foster) the other night, and I venture to say that that speech will stand to his credit as one of the finest speeches he has ever made in his life. But it would stand a great deal more to his credit if he would live up to it. If the Minister of Trade and Commerce, instead of speaking to us across the table, would speak to his friend the Minister of Finance and his friend the Prime Minister, and ask them to carry out the proposal that he made the other night, we might expect something to result from it. Why, Mr. Speaker, if the Minister of Trade and Commerce could have that proposal carried out there would not be the slightest necessity of the Finance Minister asking for a dollar of taxes.

Mr. NESBITT: Extra taxes.

Mr. TURRIFF: Yes, the $35,000,000 that the Minister of Finance wants. Let us see just what the Minister of Trade and Commerce did say. Here are his words, and I give him credit for them:

> The same remark applies to the question of patronage. I said I was disposed to be perfectly frank on both of these points. There are expenditures now—there have been expenditures from Confederation up—which have been put into the Estimates, passed and carried out in the country, that were neither useful nor expedient. There is no doubt about that; it has been done under all Governments—

I quite agree with that.

> —it probably is being done under this Government.

I must confess I agree with that.

> My opinion is that until a different method is pursued with respect to our expenditures upon public works, in their authorization, we shall be open to these troubles and to that criticism. My view is that every application for a public work, or a public improvement, should go before a competent board of engineers and business men, should be reported upon by them for the information of the Government, and that every application should have to show some cause of necessity, of public benefit, or of future usefulness before it was passed and put into the Estimates. I do not believe that we will ever get down to a proper system of husbanding the resources of our country, as we are bound to do as trustees for it, or of confining ourselves to useful and necessary public works until we get some machinery of that kind.

Those were the words of my hon. friend the Minister of Trade and Commerce, and very fine words they were. While I believe there are men in this Government who could never be brought to look at the matter in that light—the Minister of Finance is not one of them—such is the stand-

ing of the Minister of Trade and Commerce in this country, and so great is his ability and power, that I believe he could compel the other members of the Government to come round to his views. If he succeeded in doing that, it would be the greatest work that had ever been accomplished in this country, and no future government of this country would dare go back to the old system, for the people would not stand for it.

We are living in changed times. Look at what has happened in Great Britain during the last year and a half. Why should we not, in these momentous times, adopt the policy outlined by the Minister of Trade and Commerce?—but which, I notice, has not been advocated by any of the hon. gentlemen behind him who have spoken since. Let us see what a saving such a committee as the Minister of Trade and Commerce has suggested would effect. If all questions in regard to public works had had to go before a committee of engineers and business men who would certify that the work proposed would serve some present purpose, or be of value to Canada in the future, aid would never have been given to the Canadian Northern Railway in building its road from Edmonton to Vancouver, and millions and tens of millions of dollars would have been saved. Do you think, Mr. Speaker, that such a committee would have approved of the vast expenditures being made on Victoria harbour and Vancouver harbour? No, they would have realized that the work in both those places could have been done for half the money, and millions would have thereby been saved to the people. And the same may be said with regard to Halifax harbour, on which it is proposed to spend some thirty odd million dollars. I have heard it stated that the whole work at Halifax could be done at from one-half to one-third of the proposed amount. Look at the money that is being squandered on St. John harbour, on wharves that cannot stand up straight. There is no question that the Minister of Trade and Commerce is the ablest man in the Government.

Sir GEORGE FOSTER: Don't pile it on too thick.

Mr. TURRIFF: I am not piling it on at all. The Minister of Trade and Commerce is a credit to the people of Canada. He is the strongest man in the Government at the present time, but, unfortunately for Canada, bad influences are also very strong with the Government. For all that, I have confidence in the ability and integrity of the Minister of Trade and Commerce, and I am sure that if he set himself to this task he could accomplish it. He would have public opinion behind him, and that helps a great deal. I venture to say that any man in Canada who lives up to the ideals propounded by the Minister of Trade and Commerce the other evening will have the people of Canada, Liberals and Conservatives alike, behind him.

Ever since this session started, and in debates in previous sessions, hon. gentlemen opposite have been giving sly digs at gentlemen on this side of the House in connection with the naval policy. My hon. friend from Annapolis (Mr. Davidson) had a great deal to say about that the other evening. If hon. gentlemen opposite want to discuss the naval question, and the attitude taken in regard to it by hon. gentlemen on this side of the House, as contrasted with the position taken by hon. gentlemen opposite, let them bring the subject up in this House whenever they like. We are ready to debate that question at any time, but this habit of giving sly digs is unfair and unmanly. If gentlemen opposite want to discuss this question let them discuss it in an open way. We have nothing to fear. From the day the Minister of Trade and Commerce introduced his resolution in 1909 up to this moment, the right hon. leader of the Opposition and hon. gentlemen sitting behind him have not changed their policy with regard to the navy one iota, not to the extent of dotting an "i" or crossing a "t." We stand to-day exactly where we stood in 1909, and in 1910, and in 1911; that is, for a Canadian navy, built by Canada, manned by Canadians, at the call of the British Empire whenever she is at war. Had our policy been carried out—and hon. gentlemen opposite had it in their power to carry it out—we should not be in the position we are in to-day, without a ship on the sea, and having to depend upon Japan and Australia for the protection of our western coast; we should not have had to buy two obsolete submarines, at double the proper price, to protect Victoria and Vancouver—submarines without a torpedo in them. A great protection they would be to anything or anybody! Had the hon. gentlemen on the treasury benches carried out the policy for which they voted in 1909, we would have had torpedo boats of our own on the Pacific and Atlantic coasts and cruisers to protect our trade and our transports as our soldiers

crossed the Atlantic in order to take part in the war of the Empire.

Just here let me say that we on this side of the House stand exactly where we stood on the 18th day of August, 1914, when the House was summoned in order to vote the first war credit. We are behind the Government absolutely in carrying on this war; we are prepared to support them in everything; but we want a fair and reasonable accounting of the expenditure of all moneys voted for war purposes. A year ago the Government asked for $100,000,000 and we voted it without question. My hon. friend the Minister of Finance this year says, "We want $250,000,000," and we will vote that. We are not one whit behind in the field or in the trenches or in the Parliament of Canada in anything connected with carrying on this war and bringing it to a successful issue; and, to-day, when the fiercest battle of the war is raging, I think every one in this country can say that Canada is doing her duty fairly well, and will continue to do her duty to the end. If more money than the $250,000,000 is necessary, no complaint will come from this side of the House as long as that money is expended in carrying on the war; but we do not want tens of millions of dollars to be turned over to private raiders of the treasury, as has been done in the past year in connection with the manufacture of shells. We want to see an end put to that, and those men who got illegitimate gains punished by at least half of those gains being taken away to help in the carrying on of this war.

One of the main objections, Sir, to the industrial tax is that it is so absolutely unfair, because it taxes one man heavily and lets two or three others escape. When the Minister of Finance proposed to tax all corporations on the same basis by taking their capital stock as paid-up stock without going behind it to see what was the true capital, I am sure that a gentleman with the business experience of my hon. friend must have seen that such a proceeding is eminently unfair, because he is as well posted a man on affairs of this kind as any man in Canada. Let me illustrate this point: One man put $100,000 into a business, and, as he is an honest, decent man, going about his business in a conservative way, he issues $100,000 of paid-up stock. His neighbour going into the same business also organizes a company, but he makes his capital $1,000,000, and he takes his $100,000 and buys certain property that the new company will need, and he sells that new property to the new company for $1,000,000; that is, he gets $1,000,000 of paid-up capital. Both companies start business. Suppose the first man, who has $100,000 of capital stock, makes $15,000. $7,000 of that is exempt and he has to pay 25 per cent on the balance. The second man, however, who is a kite-flier, who goes in for speculating in watered stock, who has the get-rich-quick idea, has $1,000,000 of capital, and he can put $70,000 per annum in profits into his own pocket before he is called upon to pay one cent under the legislation proposed by the Minister of Finance. From what my hon. friend said last night, he has some intention of making a change in that regard, and I am quite satisfied that he will make a change. Why? Because there has been a general protest in all parts of the country from the Atlantic to the Pacific against the absolute unfairness of such a proposition. One of the strongest protests I have seen has come from Sir E. B. Osler, a member of this House, and a wealthy man, who has pointed out that the proposed taxation is eminently unfair. So far as I know, no one in this country objects to paying a fair tax for the carrying on of this war, and I do not suppose any one would object to paying 25 per cent of the profits over 7 per cent if the same tax applied to every one; but that is where the shoe pinches. The tax does not apply to every one; for one man who pays, one or two will escape, and the men who escape are the very ones who should not be allowed to escape.

Another point is that if every one had to pay, the Minister of Finance would not have to call for 25 per cent of the profits over 7 per cent, because in that case 10 per cent of the surplus profits over 7 per cent would give him all the money he requires. Why should one man pay 25 per cent of his surplus profits over 7 per cent and another man not pay anything at all? Would it not be much better to work out the tax so that every one would pay practically the same percentage? No one expects that under a proposition of this kind every one will be treated exactly alike, but it is a gross injustice to let one man escape and another man pay two or three times over. I am sure that if the minister, when he brings this Bill before the committee, will make a change that will spread the tax equally over the community, he will be doing something in the interest of the people of Canada as a whole, and will give general satisfac-

tion and not leave the heart burnings and the bitterness that the carrying out of the present proposition will do. Just think of the injustice of two companies earning the same profits and one company not paying a single dollar and the other company having to pay $100,000. Do you imagine, Sir, that the shareholders of the company that have to pay that $100,000 will sit quiet when they see the shareholders of the other company, who inflated their stock with water, get off without paying one cent? Do you not think there will be dissatisfaction and some very hard things said about this Government if it should put such a proposition in force?

At six o'clock the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

THIRD READING.

Bill No. 15, respecting the Pacific Northern and Omineca Railway Company.—Mr. Green.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 17, to incorporate Canadian Indemnity Company.—Mr. Schaffner.

Bill No. 18, respecting W. C. Edwards & Company, Limited.—Mr. Fripp.

THE BUDGET.

Consideration of the proposed motion of Sir Thomas White (Minister of Finance) for Committee of Ways and Means resumed.

Mr. TURRIFF: When the House rose at six o'clock I was pointing out that the system of taxation on industries as proposed by the Minister of Finance is uneven and unfair; that some companies will be taxed, and others will escape altogether. Under the provisions of the legislation proposed, my hon. friend does not by any means get at the general wealth of the country. Wealthy men all over the country are practically exempt from taxation, and unless my hon. friend makes some changes in his proposals, many persons will not be obliged to pay anything. Let me give you one or two instances where wealthy men will not be called upon to pay one single cent of the $30,000,000 or $35,000,000 that the minister is looking for. Some few years ago the late owner of the Canada Atlantic Railway sold that line to the Grand Trunk Raliway Company for $14,000,000 worth of 4 per cent guaranteed bonds. Four per cent of $14,000,000 is $560,000—and the owner of these bonds is not called upon to pay one single cent. Does the hon. Minister of Finance think that is a fair deal? Is it fair to let this man off scot free, while a man who is struggling to make an honest living with a capital of $55,000 or $60,000 is taxed 25 per cent on everything that he earns over 7 per cent? I leave it to the justice and fairness of my hon. friend as to whether such a measure as that will appeal to the good sense and to the commonsense of the people. Many men, though willing to stand behind the Government in carrying on this war, will not like to see 25 per cent of their profits over 7 per cent go to the Government, while many huge concerns like the one I have mentioned, controlled by millionaires whose money is in real estate and bonds, are not called upon to pay one cent.

I recall another instance of a gentleman in this city, walking around the streets with nothing to do, with $3,000,000 in first-class bonds which yield him a revenue of $150,000 a year. That man is not called upon to pay one dollar, while hundreds of other men in this city, who are with difficulty making their businesses go, will be called upon to pay. Surely hon. gentlemen opposite must see that such a tax cannot appeal to the country, cannot be successful, and will leave heartburnings throughout the whole Dominion of Canada, and justly.

I wish to place before the House the names of a few companies that will get off scot free and others with equal or smaller profits that will have to pay large taxes to the Government. I am now quoting from the Montreal Financial Times of February 19, 1916. These are shown in the following table:

Company.	Net profits.	Approximate amount of tax for one year.
Bell Telephone	$ 1,650,838	$ 97,710
C. P. R.	35,575,109	2,681,844
Canada Cement	1,286,963	
Can. Con. Rubber	1,108,845	193,465
Canada Locomotive	44,501	
Carriage Factories	267,230	24,807
Can. Foundries	*1,000,000	216,400
Dom. Bridge	1,344,347	222,337
Dom. Textile	1,230,767	186,750
Hollinger	*2,350,000	535,000
Kaministiquia	181,332	12,382
Lake of Woods	419,920	41,980
Laurentide	787,191	28,800
Lyall Construction	137,696	
Maple Leaf Milling	875,437	131,360
Montreal Cottons	337,306	
Montreal Power	2,596,743	320,186
Montreal Tram	1,185,820	243,955
Nat. Breweries	334,000	
N.S. Steel and Coal	1,613,063	254,515

* Approximate earnings.

Company.	Net profits.	Approximate amount of tax for one year.
Ogilvie Flour	$ 1,519,594	$ 201,150
Ont. Steel Products	76,745	
Penmans, Ltd.	260,315	6,133
Shawinigan	1,069,032	29,040
Sherwin-Williams	384,495	
Smart Woods	351,658	22,023
Toronto Railway	1,192,489	88,122
Total		$5,537,959

Let me compare the burdens imposed on some companies that have made about the same amount. Take the Bell Telephone Company, whose profits amount to $1,650,000 and their tax to $97,000. The Nova Scotia Company made profits of $1,613,000, just a little less than the Bell Telephone Company, and they are called upon to pay over a quarter of a million dollars, whereas the Ogilvie Milling Company makes $1,500,000 and has to pay $201,150. Then, the Canada Cement Company makes $1,286,000 and pays nothing. The Dominion Bridge Company makes $1,344,000 and pays $222,337. The Dominion Textile Company makes $1,200,000 and pays $186,000. Nothing more unfair could be devised. If the minister had tried to get a system that would tax one man heavily and let others off scot free, he could not have devised anything more efficient than this. Take the Hollinger Company which has to pay over half a million dollars for this year. For the two years the shareholders of that company will be called upon to pay up over a million dollars to this Government.

I turn now to a list of companies whose taxation I have figured out for myself, taking the figures from the Annual Financial Record Review of 1914:

Name of Company.	Net profits.	Approximate amount payable under tax.
Asbestos Corporation	$270,932.37	Nothing.
Ames Holden & McCready	351,390.10	"
Lake Superior Co.	419,179.91	"
British Columbia Breweries	109,898.86	"
Canada Bread Co.	88,689.96	"
Canadian General Electric	821,067.97	$4,629.44
Cockshutt Plow Co.	321,273.39	Nothing.
A. McDonald Co.	228,073.20	"
Riordan Pulp Co.	640,010.79	"
Steel Co. of Canada	214,325.07	"
Tuckett Tobacco Co—	151,773.99	"
Wayagamack Pulp Co.	148,980.32	$14,742.58
Winnipeg Glass Co.	884,626.89	116,156.39
Canada Permanent Loan.	285,815.47	40,828.86
Central Canada Loan	371,970.38	56,242.57
Huron & Erie	351,056.10	65,839.02

[Mr. Turriff:]

Name of Company	Net profits.	Approximate amount payable under tax.
London and Canada Loan Co.	$ 88,026.00	Nothing.
Calgary Power	841,981.27	127,807.81
Consumers Gas Co.	762,525.11	Nothing.
Dominion Power and Transmission	533,126.53	"
Ontario Power Co.	392,942.63	"

Let us compare a few of these. Take the Ames Holden & McCready Company, which made $351,000 and will pay nothing; and then take the Huron and Erie Loan Company, which made only $20,000 more, $371,000, and will pay $56,000. Then, take the London and Canadian Loan Company, which made $351,000, the same amount as the Ames Holden Company, and will be called upon to pay $65,839, while the Ames Holden Company do not pay one single cent. The Steel Company of Canada makes $640,000, and they will pay nothing, but their stock has gone up since the war munition manufacturing started from $15 to $40 a share. Surely nothing more can be needed to convince my hon. friend the Minister of Finance, and those hon. gentlemen sitting behind him, or to convince the country that he is on the wrong track.

Sir THOMAS WHITE: I do not like to interrupt my hon. friend, but his figures are wholly erroneous, wholly inaccurate.

Mr. TURRIFF: If my figures are wholly inaccurate, my hon. friend had better get hold of this annual Financial Review, and see that it does not publish erroneous figures. I have taken these figures from that Review—I can turn up the page, if necessary—and the figures I have given are correct, if the Financial Review is correct.

Sir THOMAS WHITE: My hon. friend is not applying the tax properly. In the first place, he is not taking into consideration the question of reserves; and, in the second place, he is not taking into consideration the fact that there is in the Bill a definition of paid-up stock under which, as I stated last night, and on Tuesday last, there will be no undue advantage to overcapitalized companies. If he would take these facts into consideration, his figures would be worth listening to.

Mr. TURRIFF: My hon. friend brings forward a resolution, on which his Bill is to be based, and in that resolution he does not say what he has stated to-night. In the resolution he states that it is impossible to go behind the capitalization of the companies. That is what the minister stated,

and, in order that there may be no misunderstanding about it, I will quote his own words from Hansard of February 15, page 849:

> It will be observed that incorporated companies are taxed upon a higher basis than individuals and partnerships. The reason for this is that capital in the case of joint stock companies frequently represents intangible assets or capitalized earning power or goodwill. We found it a practical impossibility to go behind the capitalization of companies and endeavour to ascertain the precise cash value of their assets as can be done in the case of individuals or partnerships. The cases of railway, public franchises, and so-called holding companies, mining and other corporations, illustrate the difficulty to which I am referring. In addition there is the further fact that shareholders have purchased their shares and receive their dividends upon the basis of issued capital stock.

If these words mean anything, they mean that the paid-up capital stock is the basis on which the companies would be taxed. I am very glad, however, to have the statement of my hon. friend the minister tonight. Since 15th February, the minister has seen a great deal of light, and he has come to realize, not from anything we have said on this side of the House, but from the influence brought to bear upon him by supporters of the Government, by industrial institutions who support hon. gentlemen opposite, the absolute unfairness, and the absolute inequality of the system of taxation proposed, one man being taxed heavily, while many others are left off absolutely free. Then there is a difference in regard to the capital in incorporated companies, and the capital in partnerships, but it is too late for me to go into that at the present time.

Another point to which I desire to call attention is, if I understood my hon. friend rightly, that he proposes to let life insurance companies off absolutely, with the exception that they have to invest in Government bonds one half of their extra assets earned during the years 1914 and 1915. I think that the ordinary life insurance company, which has put up bonds earning from 4 per cent to 4½ per cent, will be only too glad to exchange these bonds and the securities they have for Government bonds which will yield 5½ per cent. Is that putting a tax on life insurance? I would like to know why a difference is made between life insurance companies and accident insurance companies. It may be said that, if you tax life insurance companies, they will charge a higher premium on their policies; but does that argument not apply in the same degree to fire insurance companies? If fire insurance companies are taxed, will their policy holders not have to pay higher premiums? I would like to know on what grounds the life insurance companies are exempted, and in fact given a bonus, while the other insurance companies are to be taxed, and very heavily taxed.

Sir THOMAS WHITE: The reason is that a tax upon life insurance companies would fall upon policy holders and their beneficiaries.

Mr. TURRIFF: A great deal would fall on the policy-holders, on the men who are paying the premiums.

Sir THOMAS WHITE: The policy-holders would suffer.

Mr. TURRIFF: I am not very well posted on life insurance matters, but I have a couple of small policies, and therefore I am a policy-holder.

Sir THOMAS WHITE: We do not want to tax you.

Mr. TURRIFF: Why should you let me off, and tax the man who is paying fire insurance? That is what I am trying to get at. Why should the man who has life insurance get off scot free; why allow to get off scot free those insurance companies that have a very small amount of capital, but that have piled up millions and tens of millions of dollars, while the shareholders of fire insurance companies, marine insurance companies and accident insurance companies are to be taxed? It seems to me that it is giving an unfair advantage to life insurance companies as against the other insurance companies.

There are a couple of other classes of companies that my hon. friend puts in the same position as the companies I have mentioned—the mining and lumber companies. It seems to me to be altogether unfair to put a mining company in the same class as an industrial company or a loan company, because the mining company is using up its capital every year in taking ore out of the ground. It is always considered that unless a mining stock is paying 20 per cent the stock is not worth par, and the same argument applies to lumber companies. And yet lumber companies are put by the hon. minister in exactly the same position as commercial companies, notwithstanding the fact that every year they are digging out of their capital. For every thousand feet of lumber they take out, there is so much less standing timber out of which to make lumber. Take again the mining companies which should pay, and pay well;

my hon. friend lets them off altogether. Under the present proposition there is no attempt whatever to tax the big nickel industry of Canada. That industry is owned outside of Canada. The Canada Copper Company in Sudbury own the largest nickel properties on the earth. They mine more nickel than any other company. There are only three concerns in the world handling nickel. We in Canada own 85 per cent of all the nickel that has ever been discovered. The only place, outside of Sudbury, Canada, where nickel has been discovered is the island of New Caledonia, near Australia, and that deposit is owned by the Anglo-French Nickel Company. They control about 15 per cent of the product of the world; the other two companies own the balance, and those two companies are the Canada Copper Company and the Mond Nickel Company, an English concern who mine their ore near Sudbury, smelt it into matte, and ship the matte to England where it is refined. The Canada Copper Company is only a subsidiary of the International Nickel Company. They have at Sudbury the largest mine in the world. They are producing a huge amount of nickel, copper, gold, a certain amount of silver, and a large amount of platinum, with its great value. This is all sold by the Canada Copper Company to the International Nickel Company at a price that gives a moderate profit to the Canada Copper Company. The Canada Copper Company will pay probably a small tax to the Government in this connection, but the great big profit is made by the International Nickel Company, that purchases this matte, takes it down to the state of New Jersey, refines it, and puts it into commerce. They have the big end of the profit, but they do not pay one single dollar of taxes to this country.

Of all mistakes that this Government have made during the past year or two this is one of the greatest. I charge this Government with being absolutely unfair to Canada; I charge this Government with standing in with the Huns, our enemies, in so far as they have refused to exercise their power to prevent the exportation of nickel to the United States. Who are the International Nickel Company? The Krupps, of Berlin, and German-Americans own and control that company. The hon. member for North Simcoe (Mr. Currie) stated the other day that Germany cannot make armour plate, and cannot make guns, without the nickel that comes from Canada. Here we are supplying our enemies with nickel with which to make their armour plate. Canada has it in her power, and has had it in her power ever since the war began, to prevent the Germans from getting any further armour plate to build their battleships, and the Government have refused to exercise this power. What have they done to prevent our nickel going to Berlin to make guns and warships to kill our sons? Nothing, and I charge them with that dereliction of duty. But take it on the commercial side alone. The International Nickel company have 2,000 men at work in New Jersey refining our nickel. Why are they not refining it in Canada? That is something for the Government to answer. Two thousand men at work drawing big pay!

Sir THOMAS WHITE: How long have they been refining nickel in New Jersey? Were they refining nickel down there four or five years ago?

Mr. TURRIFF: I cannot give the exact date, but they have been refining nickel in New Jersey for something like fifteen or twenty years.

Sir THOMAS WHITE: Why, if the hon. gentleman's facts are correct, did the late Government not put an export duty on nickel?

Mr. TURRIFF: A fair question, and one that I am not a bit surprised that my hon. friend has asked. It is a question that I would be inclined, if the circumstances were reversed, to ask myself. I think the late Government were very remiss in their duty in that respect. I went to them time and again as a private member and asked them if something could not be done on that line. It was not a very important matter then, not nearly as important as it has been during the last year and a half, because when the war broke out was the time for Canada to do something for the Empire and herself. This Government did not hesitate one moment to stop the farmer and the miller from exporting wheat and flour to enemy countries, and it did not hesitate to prevent others from exporting other articles of commerce in the belief that it would not be to the advantage of the Empire to have them exported to Germany, Austria, or Turkey. But when it comes to nickel, the one article that we absolutely control, the Government do nothing. Remember that nickel is not in the same category as wheat, or flour, or

clothing, or anything else. If the enemy countries could not get these articles from us they could go elsewhere and get them. But if an enemy country could not get nickel from the International Nickel Company, of New York, they could not get it anywhere else in the world. The Anglo-French Nickel Company, composed of Englishmen and Frenchmen, own all the nickel that comes from the island of New Caledonia, and the Germans cannot buy any of the nickel that the Mond Company ship from Sudbury to London. But all the nickel that is produced by the Canada Copper Company at Sudbury goes to the International Nickel Company. It is shipped to New Jersey, refined there, and sold by them to Germany, because the Krupp people are big owners of the International Nickel Company.

When war broke out nickel was worth from 20 to 24 cents a pound. This company immediately held up the British Government for fifty cents a pound. Canada allows it to be taken free to the United States, there refined, and sold to our enemies at whatever price they choose to pay for it, because they control it; but Great Britain has to pay fifty cents a pound for it. The International Nickel Company have been making from $1,000,000 to $2,000,000 a month, every month in the year, or $25,000,000 a year, and they have been making this huge profit out of the ore that we are supplying them with. That is a state of affairs which should not be allowed to exist another hour. They do not allow it in Australia, nor in the United States. The United States imposed a duty of $120 a ton on refined nickel entering that country. If we had a refinery in Canada, we could not ship nickel to the United States without paying six cents a pound duty. And we allow our matte to go in there free! What is the process this company employs? The ore is first of all mined at Sudbury. It contains a large amount of sulphur, and is next gathered into large piles, hundreds of feet long; it is then roasted over wood fires until the sulphur is all burned out. This takes about three months. The nickel then goes to the smelter, where all the other metals, copper, gold, silver and platinum, go into the matte. And we allow this matte to be shipped to the United States free of duty, giving employment to two thousand men in New Jersey! But that is only a small matter. The worst feature is that it enables our enemies to get all the nickel they want. Those are the plain facts of the case. Let us see how this company treats the settlers in the Sudbury district. The country is simply devastated by the sulphur fumes that are given off as the ore is being roasted. Farm after farm has been devastated, and every bit of vegetation destroyed. In many cases the farmers have been left without a single dollar's worth of crop. Last year things were so bad that 150 of the farmers got together and engaged experts to ascertain the actual damage to the farms, and report to the Canada Copper Company. The company absolutely refused to pay any damages after these experts had reported. Months afterwards the Canada Copper Company sent out its own experts, but this was in the fall when it was impossible to see the full damage that had been done. Their own experts reported on the damage done, but the Canada Copper Company did everything in its power to delay settlement; and you know, Mr. Speaker, what a powerful millionaire company can do when it comes to litigation with a poor farmer. The company in every case refused to settle, except on its own terms. And remember, Mr. Speaker, England is paying this ten or twenty million dollars a year profit that the International Nickel Company is making. That company has doubled its output, and has erected new plant. It could very easily burn the ore in kilns, instead of in the open. If that were done, the sulphur and other bi-products could be saved, but it would cost a couple of hundred thousand dollars to erect the necessary plant, and the company absolutely refuses to do that. What do you think, Mr. Speaker, one of the grounds of their refusal was? To quote:

> The damage caused by the Company has been going on to a smaller extent for many years, and the Company in their defence claim to have acquired a prescriptive right to cause such damage even on the enormously large scale.

Simply because this company had ruined every farm in the vicinity in the past, they claimed the right to go on doing it in the future. The local Government at Toronto is just about as bad as this Government. They have recently withdrawn 200,000 acres of land from settlement at the demand of this company—this enemy company that furnishes to the Germans and Austrians and Turks the nickel that they require for the battleships that are to be used against the British Empire. And this Government sit quietly in their places and refuse to take the necessary action! The way this company is treating the settlers in the

Sudbury district is simply scandalous. In this connection let me read an affidavit I have just received:

In the Supreme Court of Ontario.

Between Emile Fredette, plaintiff, and the Canadian Copper Company, defendant.

I, Emile Fredette, of the township of Rayside, in the district of Sudbury, farmer, make oath and say:

1. I am the plaintiff in an action in the court above stated.

2. On either Tuesday, the 23rd day of November, or Wednesday, the 24th day of November, the defendant, by two of its agents, Messrs. M. J. Powell and a tall, middle-aged, fair, clean-shaven, bespectacled man giving his name to me as Mooshous, now staying at the Balmoral Hotel, Sudbury, settled with me my claims in the above action at my farm in the township of Rayside.

3. My wife had recently given birth to a child that lived but a few minutes, and as my crops had been burnt so that I had little or nothing to sell, I was forced to accept the settlement offered me of $30.30.

4. When I asked them about paying the costs of my lawyer, Mooshous said to me, "Why, we haven't made any costs; we have no costs to pay."

5. I had been informed that my action against the Company could not be heard at the November court, and I couldn't afford to wait till Spring and undergo the expense of coming back for trial from wherever I might go.

(Sgd) Emile Fredette.

Sworn before me at the town of Sudbury in the district of Sudbury, this 1st, day of December, 1915.

(Sgd) J. S. McKessock,
A Comm'r in S. C. O.

This is Exhibit C to the affidavit of J. H. Clary, sworn to before me this 14th day of January, 1916.

(Sgd) J. S. McKessock,
A Comm'r in S. C. O.

What do you think of that, Mr. Speaker? This man claimed $150 from the company for damage to his crops. The company refused to settle until this man had a dead baby in the house and no money for the funeral, and then they forced him to accept $30.30 and pay his own costs. This is the company that we are allowing to make a million dollars a month, and in some cases two million, and that money is practically taken out of the British treasury. This Government knows all about it, but refuses to take any action. The Minister of Railways knows more about it perhaps than any other man in the Government; he knows all the circumstances. It is time for the people of Canada to wake up. These are times of change. They are doing things in Great Britain to-day which they never thought of doing years ago. When we are in the midst of war, when we hope to send 500,000 men to the front to fight the battles of the Empire, why should we supply the Huns with this nickel which they need for their battleships? The ore could all be refined in Canada; but even if we couldn't do it here, we could have it done in Great Britain, where they have refineries. The Government is derelict in its duties when it allows such a state of affairs to continue for any length of time.

All this is a good deal on a par with what we have heard already during this session. The hon. Minister of Marine and Fisheries (Mr. Hazen) was very indignant the other day at the charges that had been made against a German in his employ, and he thought that they were very unfair and unreasonable; but no man in Canada made such a heavy charge against this German as did my hon. friend the Minister of Marine and Fisheries himself. My hon. friend stated that his private secretary did not see his private papers. What is a private secretary for? Does the Minister of Marine and Fisheries do his own letter opening and his own filing, and does he take care of his office day and night? The fact that my hon. friend says that his private secretary cannot be trusted to see his private papers is proof positive that my hon. friend does not think him trustworthy. If he thinks he is trustworthy, why does he not allow him to see his private papers? This is a case of a German being in a position to learn all sorts of things.

The other day we had another case of a similar nature. I refer to a man named Kastella in the Department of Public Works a German who came out from Germany only a few years ago, a man who had worked for years for the Krupp Company in Germany. When he came out here, my hon. friend the Minister of Public Works immediately made him Superintendent of Harbours in the Gulf and the lower St. Lawrence. What is more likely than that this man was sent to Canada by the Krupp Company of which Kaiser Wilhelm II. is one of the largest shareholders, in order to find out all about our harbours in the gulf and the lower St. Lawrence? A submarine can now be sent a distance of 3,000 miles, and it is only half that distance for a German submarine to come across to the gulf of St. Lawrence. Still this man was put in a position where he could learn the secrets of every harbour in the gulf and in the river St. Lawrence. Should such a state of affairs exist in Canada? I claim that it should not. The worst feature of the case

is that this man Kastella was not a capable man in any way. You may be surprised, Sir, to learn that this same man, without any authority from the minister or the deputy minister or any one else in the Department of Public Works, bought $50,000 of goods off his own bat, and that he paid 42 cents a pound for steel of a poorer quality than steel for which the department was paying 12 cents a pound; that is, he paid 30 cents a pound extra for 12,000 pounds of a poor class of steel, and from whom did he buy it? From 9 p.m. a German over in Hull. That is what has been going on. and it is what is going on to-day. Some years ago, when the Minister of Public Works came into power, he was very ready at firing men and putting Germans in their places. In charge of the dredging works at the mouth of the Red river he had a man named Sweeney, a pro-German. If you went into this man's office at any time, there you would see him, with his feet on the desk and a cigar in his mouth, reading pro-German papers, and every time that the British lost anything in the way of a battle, he was exulting over every one that came within sound of his voice; when the Germans won a battle, he was all happiness. That is the class of man who has been brought down East and put in charge of the Toronto harbour improvements.

Mr. GAUVREAU: What about Mr. Gutelius in charge of the Intercolonial railway?

Mr. TURRIFF: I do not know anything about him; I speak only of those I know. Probably there are many more of these men.

This work going on in Toronto harbour had to be stopped on account of the rascality that was going on in regard to the class of work which was being done, and we have our enemies doing this work. Why is all this being done? For a little bit of paltry party advantage, a little bit of patronage, of trying to catch the German vote, while the country is bleeding at every pore and suffering on account of this. That is the existing state of affairs, and I call on the Government to put a stop to it.

Now, I ask the Government to put a stop to the exportation of nickel, unless it goes direct to Britain and the Allies. I ask the Government to put a stop to the exportation of nickel to the United States, where it can easily slip through to Germany. The Government will tell me: "Oh, we have an understanding with the International Nickel Company that they will not sell any nickel to our enemies." Well, who buys it? Why, the Krupps are buying it, and do you expect, Sir, that it is not going to get to Germany, perhaps not as nickel, but combined with other metals? Do you think you can trust them? I remember a few years ago we had at Vancouver and Victoria a German named Alvin von Alvinstein, who was a great man out there, a fine fellow. He invested there a lot of money, a good deal of which belonged, so he said, to the German Emperor. He made a visit to Germany a couple of years ago; he did not return until after the war had started, and, as he was refused admittance to Canada, he remained in the United States, and what was found? The German Emperor had endeavoured, through this fine fellow, to have an invitation sent by the people of Victoria and Vancouver to the two German warships, the Goeben and the Breslau, the two ships afterwards transferred to Turkey, to pay a visit to British Columbia. Had he been able to carry out that idea, these two ships would have been in the harbours of Victoria and Vancouver respectfully when the war broke out. If that had happened, what would have taken place at Victoria and Vancouver? Nobody suspected Alvin von Alvinstein; nobody in times of peace suspected the International Nickel Company. But when war comes, our view of these things is changed. War changes everything excepting our friends on the Government benches; they do not and will not change. Again I call upon the Government to do something to put an end to the state of affairs to which I have referred.

Hon. RODOLPHE LEMIEUX (Rouville): Mr. Speaker, we have just listened to one of the ablest speeches ever delivered on the occasion of the discussion of the Budget, and I am glad to offer to the hon. member for Assiniboia (Mr. J. G. Turriff) my sincere congratulations upon his earnestness and his devotion to his public duty as a Canadian and a parliamentarian. May I offer also my sincere congratulations to the Minister of Finance for the brevity of his speech and the felicity of his words when he delivered the other day a typically White speech to the House, by means of which he will be able to bleed white our dear country, Canada. I wish the hon. minister would spare the money of the treasury as well as he spares the time of the House when he delivers his annual Budget speech.

Whilst I am complimenting members of

the House, I wish to say a good word to the Minister of Trade and Commerce for the masterly address he gave to the House and to the country the other day. Indeed, it was a clarion call of a kind to which we on this side of the House are not accustomed. It was an earnest appeal from one who, as he said, has been thirty-five years in public life. At last he warns his friends that the moment has come to rid the country of the canker of patronage and corruption. If the right hon. Prime Minister had been in his seat that evening, and if, surveying his flock around him, he had been fortunate enough to look instantaneously upon the Minister of Finance, the spendthrift, and the Minister of Trade and Commerce, the preacher of economy, he might well have said: I have a difficult team to drive. The address of the hon. Minister of Trade and Commerce will not raise him in the public estimation, because he already stands high in the estimation of the people of Canada. But I wonder if his address, when read carefully and thought over by his fellow members of the Cabinet, will raise him in the estimation of his own party. I remember having read, in one of the first books that I read in English, that admirable saying of Hooker:

> Even ministers of good things are like torches—a light to others; waste and destruction to themselves.

I think that the effect of the address of the Minister of Trade and Commerce was like the effect of the torch; a light to others, but waste and destruction to himself. After the verdict of yesterday in the county of Peel, where the election was fought on a Dominion issue, not on a local issue, at least we may say that the Minister of Trade and Commerce, after thirty-five years of public life, has been of service to his country. It is said that Queen Mary of England, lamenting the loss of Calais, which for so many years had been the proud possession of England, said to her courtiers: "When I die, open my heart, and there you will find 'Calais.'" Sir, when the Prime Minister read the Toronto and Ottawa papers this morning, and was apprised of the result in the county of Peel—a verdict against corruption; a verdict against the canker of patronage as denounced by the oldest member of the Cabinet a few days ago—I wonder if he said: Open my heart, my friends, and you will find deeply engraved within it the name of Peel.

Let me, Sir, come at once to the all absorbing issue, the war, which is being carried on to-day in nearly all parts of Europe. I agree with the hon. minister of Trade and Commerce when he says that the people of Canada, irrespective of party politics, are behind that war and underneath that war. As a Canadian and as a Liberal, all war expenditures on the part of the Minister of Finance that are properly and honestly applied, will receive my unqualified support. Sir, I read with pride as a Liberal and as a Canadian the words spoken by the Prime Minister of England two days ago. In the roar of cannon at Verdun, when peace proposals were whispered by some weak-kneed members, the Prime Minister of England said:

> What I said November 9, I repeat now. 'We shall never sheathe the sword which we have not lightly drawn, until Belgium—and I will add Serbia—recover in full measure and more than they have sacrificed; until France is adequately secured against aggression; until the rights of the small nations of Europe based upon an unassailable foundation, and until the military domination of Prussia is wholly and finally destroyed'.

The pledge taken by the Prime Minister of England is the pledge of every Canadian, as it is the pledge of every Australian and of every New Zealander. The spirit of the Canadian people with regard to the war has never been better exemplified than during the weary months that have passed since August, 1914. The manhood and the womanhood of this country have vied with each other in the effort to replenish the treasury of the Patriotic Fund, in order to maintain the families of the soldiers; in giving to the Red Cross societies, the Serbian Fund, the Belgian Fund, even the Polish Fund, all that they could give. Sir, never was it more remarkably manifested than when, in the month of November last—yes, even under the present Administration—the Canadian people were asked to subscribe $50,000,000 to a domestic loan. From every city, town and hamlet in the country came subscriptions towards that domestic loan, and my hon. friend was able to get not merely $50,000,000, but more than $100,000,000. There you have an illustration of the Canadian spirit as regards the present war. Our participation in this war has been questioned by a few. Sir, I do not know that there ever existed, at least in the British Empire—nay, speaking of Cobden, I must speak of him as a citizen of the world—that there ever existed in the world a greater pacificist than Richard Cobden. But, op-

posed as he was to war, Cobden himself said:

> When a military despot interferes to crush the men of another country while struggling for their national rights, no principle can make it wrong for a free nation to interfere by force against him. It can only be a question of expediency and prudence.

Sir, I have very often heard warlike people criticising Richard Cobden, the apostle of free trade. Certainly he was not a fervent advocate of war. But if Cobden himself had lived in August, 1914, he, I am quite sure, would have stood by the Allies in the attitude they took in fighting the enemy of mankind. In my own province, there are people who have taken to task the right hon. gentleman who leads the Opposition. They claim that he has not been true to himself, because some years ago he stated on the floor of the House of Commons that he was opposed to Canada being launched into the vortex of European militarism. It would be quite easy to make the distinction between espousing the cause of European militarism and fighting the military caste of Berlin, as we are fighting it to-day. But is not this a war between the forces of light and the forces of darkness? Is it not the conflict between liberty and tyranny? It was quite logical for the right hon. gentleman who leads the Opposition to take a commanding attitude in this country and particularly in his own province, in his advocacy of Canadian participation in the war. Sir, look at the United States to-day. The Americans are described as a matter-of-fact people. They chose to be neutral from the outset of this great conflict. They kept silent when Belgium was ruthlessly invaded; they kept silent when the crime of the Lusitania was committed. But behold the reaction which is taking place across the boundary. President Woodrow Wilson has been, I must say, a great servant of the American Commonwealth and of democracy. But, Sir, the reaction to-day is against men who are too proud to fight when their country is being humiliated. The issue in the month of November next, when the presidential election takes place, will not be the tariff, will not be any domestic question, the issue will be whether America is to be a factory or a shrine, whether it will adhere to or desert the cause of justice, liberty and humanity. There are many arm-chair critics nowadays. It is extraordinary how their number increases when great events take place. There are arm-chair critics in my own province, and elsewhere too, who think that England has been rather slow in this war, who say that England has not done her share so far. We hear that statement even here in the city of Ottawa. Mr. Speaker, there is one cardinal feature of this war which must not be lost sight of: it is that the British Navy saved the Allies from speedy and irrevocable disaster. It gave them time and opportunity to organize resistance to the tremendous German swoop which in August and September, 1914, was the outcome of forty years scheming and planning. The fleet has been the vital element and has been the determining factor of the fortunes of the war up to date, this being said without any disparagement of the forces fighting with us. We all know that the Allies have fought nobly, that the French and the Russians have fought valiantly; but we must never lose sight of the fact that without the British navy the war would have soon ended to their disadvantage. If you eliminated the British fleet from the conflict, what would happen even to-day? With superior Teutonic argosies the French colonial empire—which is second only to the colonial empire of Great Britain—Tonquin, Madagascar, Annam, and other dependencies would have been attacked and captured long ago; French and Russian shipping would have been swept away from the seas; French commerce would have been annihilated; France would have been cut off from Algeria, Morocco, and Corsica, and all chance of obtaining munitions of war, food supplies, and mechanical supplies from over the seas would have disappeared. When I hear the arm-chair critics complaining of England's slowness in moving in this war, I bear in mind the words spoken by the Minister of Marine in France, M. Augagneur, who said:

> It is the British fleet that saved the world from destruction by the barbarians of the twentieth century.

Before I come to the way and means, I wish to say a word or two about two classes of combatants in the present war. Reference was made yesterday by my hon. friend from South Renfrew (Mr. Graham) to the gallant conduct of the British aristocracy. There are two facts in this war that will ever remain salient—the gallantry of the British aristocracy, and the indomitable courage of the French democracy. It has been said—I read it time and again before the war in books, pamphlets, reviews, that England was decadent, that her aristocracy was effete, idle, degenerate. But when the sons of the

British nobility responded to the call of duty on 4th August, 1914, when they buckled on their armour, when they rushed to the front in Artois and Champagne, when later on they were mowed down at Charleroi and Mons, mingling their blood with that of the soldiers of the Republic, I could not help thinking that they were the worthy sons of their sires, of the noblemen who wrested from King John the Magna Charta, and of the men of that aristocracy who played such a prominent part in Europe in the course of the 18th century; I could not help thinking that their chivalrous spirit was after all the best evidence that "bon sang ne peut mentir."

As regards the French democracy, let me say this: before the war it was thought that the anti-military party in France would not respond to the call of duty, and fears were expressed that as labour had been more or less internationalized in its organization, the French proletariat would not fight the Germans. Mr. Speaker, the present Munitions Minister of France, Mr. Thomas, is one of the leaders of the old French Labour party. He himself sided for many years with the anti-militarists. But, listen to what he said the other day, speaking at a meeting of labourers in England; one of his friends, who had returned from the front was listening to the complaints of a civilian, and here is the language which he used:

> Comrades, I am surprised to hear what is now being said. We, who have been with the colours, know all about the fatigue, the suffering, and the demoralization of French warfare; but we are to-day in the same mind as we were on the day of mobilization. I want to fight in order that my son here may never have to go to war. If I am to die, then I shall die; but I do not want him to see war. To avoid this we will make every sacrifice—our liberty, our blood, and our life.

That is the spirit of the French democracy, a spirit which is on a par with that which animates the British aristocracy.

I now come to the ways and means proposed by the Minister of Finance in order that Canada may stand the test during this crucial period. Let us be sincere with ourselves; let us face the facts as they are, not as we would like them to be. The present war will leave Canada saddled with a huge war debt of probably more than one-billion dollars. As I stated a moment ago, we stand in this war for the ideals which the Allies represent. The first question which any intelligent man should put to himself in this great crisis, is, it seems to me: How best can the Government of this country help the cause of the Allies? Is it not just by practising, as all the Allies are practising, rigid economy in civil expenditure, by the elimination of all unnecessary capital expenditures, and of waste in war expenditure. What is our financial position at the present moment? Sir, when I look at the array of figures representing our expenditure since 1911, I cannot help but think, pause and ponder. Let us take the fiscal year 1915. The revenue for that year amounts to $133,073,000 and the total expenditure, war expenditure included, is $237,721,000. The year ends with a total deficit of $104,647,000. Let us take the fiscal year 1916. The revenue is $170,000,000; the expenditure, war expenditure included, is $295,000,000, a total deficit of $125,000,000. For the fiscal year 1916-17, the revenue is estimated at $170,000,000; expenditure, war expenditure included, at $415,000,000, a total deficit of $245,000,000. These are facts which the country has to face at the present time.

Now, let us compare the expenditures of 1910-11 with those of 1916-17. I take 1910-11 because that year marked the height of our prosperity in Canada, whilst 1916-17 finds us in the most crucial period in Canadian history. In 1910-11, when we were abnormally prosperous, the interest charges on our national debt took from us $14,114,000; the estimate for 1916-17 is $39,640,000.

	1910-11.	1916-17.
Civil Government	$4,463,000	$7,240,000
Dept. of Agriculture	1,379,000	4,263,000
Immigration	1,079,000	1,534,000
Pensions	240,000	3,365,000
Militia	6,868,000	5,706,000
Public Works—income	8,621,000	18,814,000
Public works—capital	3,742,000	8,072,000
Steamships subsidies	1,918,000	2,963,000
Naval Service	256,000	2,250,000

The list gives us some striking contrasts from beginning to end. The total estimate for 1910-11, when we were prosperous, was $132,827,000 as against $188,981,000 for 1916-17. The best interests of the country command the Government to revert to the figures of 1910-11 when we were prosperous. But I anticipate the answer of the Minister of Finance and the spendthrifts who sit around him. They will apply to the situation the popular slogan, "Business as usual." In a sense I would be inclined to say that this watchword is a true one, but it must not be forgotten that we have to reckon with an unusual business at the present time. We must provide for an army of 500,000 men, we must pay pensions, we must maintain the dependents of the soldiers, we must pay the interest on a huge

war debt, and the war will be long. The immigration wave which swept the prairies of the West during the Liberal Government has passed away not to come back very soon, if we take the Minister of Finance at his word because he predicted a not very roseate aftermath. I believe also with him that the reconstruction of this country will strain all our energies for many decades to come. Therefore, I say that the policy of any wise and patriotic Government during this crucial time should be to practise economy as they practise economy in England, the best ruled country in the world, and in France where they are facing the realities of the war more than anywhere else. Why not imitate England and France in the practice of economy? France and England are wealthy countries. We must preserve our credit. It must be remembered that we have not only interest to pay on our Dominion liabilities. When the Minister of Finance devised his scheme of taxation, which will strike not only those who are profiteering, but legitimate and ordinary business as well, did he think of the other interest charges which bear so heavily on the shoulders of the Canadian people? We have something else than the interest charges on our Dominion liabilities to meet. We have our provincial and municipal liabilities to meet. The Toronto Weekly Sun, a radical paper, one of the best edited in Canada ,and a tolerably good authority, has compiled a list of the liabilities, direct and indirect, of the provinces and municipalities, from which it appears that the direct debts of the provinces amount to no less than $183,000,000. Ontario heads the procession with $44,000,000, while Quebec has liabilities of $26,000,000. The indirect provincial liabilities, consisting principally of railway bond guarantees, amount to $195,000,000, British Columbia leading with $80,000,000, far more than she can afford to pay with her small and not growing population, followed by Alberta with $42,000,000. The municipal liabilities of the entire country have reached the gigantic sum of $625,000,000. The commitments of the provinces and municipalities together amount to $1,000,000,000. Did the Minister of Finance, when he was devising his scheme of taxation the other day, think of the other liabilities that the Canadian people, and legitimate business, have to face? That is one more reason why, as in England, as in France, the Government should practise rigid economy. I know it is a difficult matter for the Government. In England, where there are statesmen, in France, where there are statesmen, when the war broke out the best men of the various parties sunk their party differences and acted as patriots. They turned their attention to the national issue alone. England formed a coalition government, and so did France. We all know what took place in England. Sir, it was nothing short of a miracle to see Asquith, Grey, Churchill, and Lloyd George sitting around the same table in counsel with Bonar Law, Balfour, Carson, Lord Robert Cecil, and Lansdowne. In France where party passions run very high, it was still more surprising to see Poincairé, the President of the Republic and a moderate Republican himself, gathering in the Cabinet chamber men like Briand, an ex-socialist, Cochin, the representative of Catholic opinion, and Viviani, representing the advanced Socialist opinion, Ribot, a liberal, Combes, an extreme radical; a cabinet not unlike a mosaic, firm and strong, though diverse in colours.

I have no advice to offer to the Government, I am not looking for a coalition government in Canada, but I say to my fellow members and to the country that if the Prime Minister of Canada had been inspired by lofty and patriotic motives on the 4th of August last, he would have left the council chamber, and walked across the Parliament building and knocked at the door of the venerable leader of the Opposition, the senior member of the Privy Council in the British Dominions, the Nestor of the British Empire, as he was well described by Mr. Asquith at the time of the Imperial Conference in 1911. He might well have said to the right hon. gentleman: "I want your advice and counsel, let us put an end to party politics and think only of the great national issue." But nothing of the kind was done. This Government thought only of parish-pump politics. Ever since this war began they have been playing the game, watching for a chance to surprise their opponents. On the 15th of November, 1914, I was present at the first recruiting meeting held in the city of Montreal. The right hon. leader of the Opposition was present at that meeting. Long before, he had made a promise that whenever the Empire was on its trial he would appeal to his fellow men in the province of Quebec to join the colours. That night a telegram was handed to the right hon. gentleman, who was sitting next to me on the platform. The telegram informed him that sinister influences were at work in Ottawa, that a dissolution of

Parliament was impending. But such a protest went up from one end of the country to the other that the Government paused and pondered, and finally receded.

Then, in the month of May last, the hon. Minister of Public Works visited Montreal and practically announced an immediate general election. At that moment, our boys were fighting and dying at Festubert and St. Julien, and next morning, as the people read in one column of their papers the report of his speech, and in another column the story of how our boys had been mown down by the enemy, every one felt this time the veto against an election had been written with the blood of our brave soldiers, and the Government would not dare dissolve Parliament. Yes, Mr. Speaker, it was the blood of the bravest which prevented this Parliament from being prematurely dissolved.

This Government have been playing politics, instead of playing the part of statesmen. What have they done since 1911? If they really wanted to help the Mother Country, if they were really in earnest, would they not stop at once every foolish expenditure and use the money to purchase equipment and necessaries for our soldiers? For instance, is it not a scandal that instead of conducting a recruiting campaign, this Government is only recruiting camp followers for the inside and outside public service? Since 1911 they have appointed 25,613 men to the service. Of course, I know they will answer that many employees have died, many have resigned or been dismissed—the larger number of them have been dismissed—but we know that after allowance has been made for all these, there have been 11,147 additional appointments made by this Government during a period when the country was making mighty little progress. In the Department of Agriculture there have been 579 new appointments; Customs Department, 1,649 new appointments; Indian Affairs, 295 new appointments; Inland Revenue, 165 new appointments; Immigration, 343 new appointments, and no immigration; Mines, 103 new appointments; Public Works, outside service, 1,877 new appointments, inside service, 128 new appointments; Intercolonial railway, 2,076 new appointments; Post Office, civil servants, 3,312 new appointments; postmasters, new appointments, 6,591; Marine Department, 1,608 new appointments. In the Fisheries Branch alone there have been 269 new appointments. I say in the presence of my hon. friend the Minister of Marine and Fisheries (Mr. Hazen) that if he conducted his own private affairs as he and his colleagues have conducted the affairs of this country, he would very soon have no business to conduct.

Mr. CARVELL: He would not have any business to manage.

Mr. LEMIEUX: He would not have any business to manage, and he would not have the confidence of his friends or of the public. So glaring and so apparent is the scandal that even in the city of Ottawa, in a paper published by the Civil Service, whose editor could be reached by his minister if his minister wanted to reach him, this system has been condemned. The Civilian of March 5, 1915, used the following language:

> This responsibility prompts us, as a positive duty, to point out that the public service is over-manned to a remarkable degree and on account of this over-manning, of inefficient organization, or duplications and other kinds of waste, there is a loss, conservatively estimated, of over $5,000,000 a year.

I quite understand that a party coming into power, after having been in the cold shades for fifteen years, might require a few appointments for their friends, but can any one believe that a party which preached economy and retrenchment in thunderous tones for fifteen years would, in the short period of three years, appoint 11,147 new civil servants? The Prime Minister should tell any of his camp-followers who, at this juncture, are trying to obtain positions in the Civil Service that after all he has to be true to himself. Did he not say in the election campaign of 1911 that the increase in what is known as ordinary controllable expenditure of from $36,000,000, in 1896, to $79,000,000, in 1911, was proof of extravagance beyond any possible defence, and was prima facie proof of corruption? The rate of increase in expenditure during the four years after my hon. friends took office has been $16,000,000 a year, or $64,000,000 in four years. Well might Mr. Pierpont Morgan, when the Minister of Finance was passing the hat in the name of Canada for $45,000,000, send his agents to Ottawa to examine the books and tell the Government that, if they wanted another $45,000,000 or $50,000,000 they had better retrench and economize. I do not wish to weary the House with any array of figures, but let me say that, from 1911 to 1915, inclusive, the cost of running this country has been abnormal, nay, scandalous. In public works the increase

has been 84 per cent; in immigration, 30 per cent; in arts and statistics, 106 per cent; in civil government, 15 per cent; in administration of justice, 7½ per cent; in fisheries, 45 per cent; in quarantine stations, 24 per cent; in Indian affairs, 24 per cent; in penitentiaries, 40 per cent; in Dominion police, 45 per cent; in the Department of Labour, 50 per cent; in miscellaneous expenditures, 145 per cent; in customs, 57 per cent; in excise, 13 per cent; in the Post Office Department, 39 per cent; in railways and canals, 21 per cent.

Mr. CROTHERS: Is my hon. friend speaking about the expenses of the different departments?

Mr. LEMIEUX: Yes.

Mr. CROTHERS: Does my hon. friend say that the increase in the Labour Department is 50 per cent?

Mr. LEMIEUX: Yes.

Mr. CROTHERS: The expenditure was $7,000 less last year than in the previous year.

Mr. LEMIEUX: I am speaking of the four years since 1911.

Mr. CROTHERS: That is not true; I will tell you that.

Mr. OLIVER: The hon. minister is scarcely in order in making such a straight remark as that.

Mr. CROTHERS: What is there out of order about it? I do not for one moment charge my hon. friend with making a statement that he knows to be untrue. I know him too well to believe that he would do such a thing as that. I simply say that the statement which he makes, which I assume he has from an outside source, is untrue.

Mr. LEMIEUX: When my hon. friend's Estimates come before the House, I will prove to the hilt that my statement is true.

Mr. CROTHERS: No, you will not.

Mr. LEMIEUX: I happen to know something about the Department of Labour, because I administered it for four years; and I can compare favourably the administration during that time with that of my hon. friend.

Mr. CROTHERS: We are not discussing that just now.

Mr. LEMIEUX: The rate of expenditure during the short term of office of my hon. friend has been simply scandalous as compared with the rate of expenditure during my time.

Mr. CROTHERS: I can only say that that statement is also untrue. I do not charge my hon. friend with intentionally making it.

Mr. LEMIEUX: In Trade and Commerce, the rate of increase has been 905 per cent. That was explained in a way the other day by the Minister of Trade and Commerce, and I am inclined to accept his statement, but the increase is nevertheless abnormally high. In the inspection of staples, the rate of increase has been 98 per cent; in the inspection of weights and measures, gas and electric in-

10 p.m. spection, 25 per cent. I know whereof I speak. If my hon. friend the Postmaster General were in his seat, I would not charge him, because he is, fortunately, not responsible for the maladministration of the Post Office Department; but I would call his attention to the state of things which exists in his department. When I administered the Post Office Department, no contract above $200 was given without tenders being called for; but, since the Hon. Mr. Pelletier took charge of that department, the policy of public tenders has been cast to the winds, and that explains why, three years after the administration of the department by Mr. Pelletier, the expenditure has been more than doubled.

Let me give my hon. friends another instance. The other day I put a question on the Order Paper, asking the Postmaster General how many new appointments had been made in the Quebec post office since 1911. Let me explain to you, Sir, the Quebec post office yields on an average a revenue of $100,000 a year. When I left the department in 1911 there were from 70 to 75 employees in that post office. I will ask my hon. friend the Minister of Labour how many appointments have been made by Mr. Pelletier since 1911? Did he make no more than fifty appointments to an office which does not yield a revenue of $100,000 a year? No, Mr. Speaker. Did he make 75, 100, 150, 200 appointments to that office? Sir, Mr. Pelletier appointed in the Quebec post office 255 camp followers in three years. In the Montreal post office there were about 750 to 800 employes in 1911. I am not positive as to the figures, but I am not far astray when I say that there are over 1,500 employees in the Montreal post office today. Is it, then, surprising that the rate

of expenditure should have gone so high as it did during the administration of Mr. Pelletier? I say that his administration in the Post Office Department was a scandal from the day he went in to the day he went out. He has not been fair to his successor, the present Postmaster General, who is a business man and who has a sense of responsibility.

Mr. CARVELL: What are they going to do with the $17,000,000 they are asking for this year?

Mr. LEMIEUX: I will say in a moment what the Government ought to do. I am going to appeal to the better instincts of the Prime Minister and the Minister of Finance. I am appealing in this grave national crisis, not to the spoilsmen, but to the Prime Minister, the Minister of Finance, and the Minister of Trade and Commerce. I say, let us have a round table conference in the House of Commons. Let us form a committee, and let us apply the pruning knife to the scandalous expenditure of the various departments of the Government. When our sons are bleeding on the plains of Flanders; when our wives and sisters are straining every nerve on behalf of the Patriotic Fund, the Red Cross, the Serbian Fund, the Belgian Fund, the Polish Fund, it is a scandal for the Government to maintain such a high rate of expenditure. The conditions are as I have stated them, Mr. Speaker, and no answer can be given to the charges that I have made. No justification of the expenditure can be offered, because there has been no corresponding increase in population, in trade, in revenue, in business generally. Sir, we are not the only pebbles on the beach. In the other overseas dominions, there are level-headed men. What have they done in South Africa? I quote from the Times of May 22, 1915, which says:

> Steps were at once taken by the Government of South Africa to curtail as far as possible the expenditure for the fiscal year ending March 31.

Regarding India, the Times says in the same issue:

> To meet the shrinkage in revenue it has been decided to curtail expenditures, and not to resort to additional taxation. The capital outlay for public works, etc., was reduced by $60,000,000. Australia and New Zealand adopted a similar policy.

Economy in private life is a golden rule, I think; economy in public life is also a golden rule. But more especially is it a golden rule when a country is at war, and when that country is being taxed and overtaxed by its administrators. The Government cannot complain that it has not received warnings. Warnings have come to hon. gentlemen opposite, not only from this side of the House, but from their own friends. A year ago, Sir Edmund Byron Walker, who is probably the counsel and adviser of the Minister of Finance, speaking in Toronto, reminded his hearers that it was the duty of every man, woman and child to do their little part in adding, by extraordinary industry, to the natural store of wealth. Nothing, he counselled, should be bought or built that is not absolutely necessary. He added the following words:

> For, in the years to come we shall be bending our backs to a taxation such as in this country, which has been singularly free of taxation, we have never known before; and so also will our children for generations to come.

I say that the Government have received warnings not only from this side of the House-- though it is our duty and our business to warn the Government—but from their own friends. Was there not something strange in the language of Lord Shaughnessy the other day when he received the news of the Finance Minister's new taxation measure. No Government, no private individual, would have received without a blush the warning contained in his words. After having criticised moderately the measure of taxation brought down by the Minister of Finance, Lord Shaughnessy added the following ominous words:

> Every good citizen and reasonable man will loyally stand back of the Finance Minister in the adoption of the plan of action that they find may finally be considered best in the circumstances, but in return, the people of the country will demand, probably more emphatically than ever before, that expenditures in connection with war shall be without wastefulness or extravagance, and that the Minister of Finance, with his colleagues, shall see that the country's money is neither pilfered nor squandered.

Do you think that if the Government were blameless in the administration of the affairs of this country since the beginning of the war: do you think that if the Government had behaved themselves even in the ordinary way, Lord Shaughnessy, a friend of the Government, the mighty president of a mighty company, would have used that language? Mr. Speaker, we live in a British Dominion, under British laws. We have a British form of government; we have British ideals of government. Could you imagine the governor of the bank

of England, or the president of a powerful company in London, or even the bitterest opponent of the Asquith Government, speaking as Lord Shaughnessy spoke when giving this timely advice to the Government? Could you imagine any one in England saying to the Government: "Do not pilfer, do not squander the money of the people." Why, Sir, the very warning is an accusation that goes to the heart of the people of Canada.

I for one do not object to being taxed. We have an old French saying: "On ne va pas à guerre sans qu'il en coûte"—no war is carried on without toxation. But taxation, in order to be borne by the people, must be first equitable, and before taxing the people it is the duty of the Government to avoid all unnecessary and extravagant expenditures so as to limit the burden of taxation.

I know what will be the cry of our hon. friends when Parliament is dissolved and when we on both sides of the House have to face our electors. I can anticipate the excuses given by the Government for this taxation. We have heard some of these already. One hon. gentleman, I think the hon. member for East Lambton (Mr. Armstrong), said: "Oh, we of the Tory party will never be accused of favouring the interests: we have taxed the interests this time." What a shallow excuse, as if last year by that horizontal raising of the tariff by 7½ per cent, the minister had not gone to the very vitals of the consumers of this country. We were told last year that it was a war measure. I doubt it very much. In my humble judgment the raise in the tariff was the payment of the debt which the Tory party owed to the privileged interests, which put them in power in 1911.

The Solicitor General the other day, when fighting the resolution for free wheat, said: "There is no caste system in this country." His remark reminded me of what Mr. Bryce has written in his classical book, "The American Commonwealth." Speaking of those Americans who boast of having no aristocracy in the United States, but that on the contrary, the United States of America are the home of modern democracy, Mr. Bryce says that it is true that there are in the United States of America no kings, no dukes, no counts, no knights. But, he says, if the world changes, the change is only on the surface and the same idols reappear under different names He said: "True, there is a President of the Republic, and surely he is the President of a great democracy; but there is in the United States a silver king in California; there is a steel king at Pittsburg; there is a cotton king at New Orleans. They are not kings by divine right, but by the rights conferred upon them by privileges—by the tariff, by the trusts, and by the combines."

So there is no caste system in Canada, as the Solicitor General said the other day, but we have privileged interests well entrenched. The millers belong to our Canadian pseudo aristocracy; they fight free wheat in the name of interests which they hold dear and sacred. They fight wider markets; they fight the farmer in order to maintain well entrenched their interests, as the dukes, as the counts, as the knights of old fought behind their walls and behind their castles against serfdom. The Minister of Finance is very much perturbed indeed lest free wheat would make us Canadians dependent on the United States. The same candid gentleman who in 1911 said that Canada should not truck nor trade with the Yankees, in the month of November, 1915, went to New York to borrow $45,000,000 from Pierpont Morgan and the American money trusts. In the same vein, in order to keep the farmers of the West marking time he predicts for them a preference with the Mother Country.

I wish here to settle a controversial point with the Minister of Finance. The other day he was reciting an Order in Council of the 60's about a request of the Canadian traders and merchants for a preferential agreement to be obtained from the Mother Country, and I said to him that it was the withdrawal of a similar preference which had precipitated the movement for annexation in Canada; that, on the contrary, the granting of reciprocal trade to Canada had been the means of stopping the agitation for annexation. He at once said: "Yes, we obtained reciprocity; but reciprocity was withdrawn; that treaty was abrogated in 1866." We may always learn something from history. The House will pardon me if I venture for a few moments to speak of that particular period of our commercial history, because it shows how hollow is that prediction of a future agreement for mutual preferential trade between England and Canada, and at the same time how foolish is the idea that free wheat would endanger our national standing. In 1911 the Minister of Finance said that if we had reciprocity it would endanger our Canadian nationality, and this year, when our friends from the West

are pleading in vain for free wheat, he says your wheat is liable to lose its identity if it is mixed with American wheat. It would be just as wise to say to the people of the county of Rouville, who grow the finest apples in Canada: "You shall not sell your beautiful Fameuse apples to England for fear that they may be consumed by the people of Whitechapel instead of by the people living in the mansions of west London." There is as much truth and honesty in this argument as there is in the one given in answer to the unanswerable speech delivered the other day by the hon. member for Edmonton (Mr. Oliver).

Sir, what caused the annexation movement in 1849? It was the repeal of the Corn laws. What was the essence of the Corn laws as regards Canada and some of the other colonies? It was that Canada and the other colonies enjoyed a preference in the British market for certain staple goods, corn included; and it was the abandonment by England of that Imperial preferential policy, and her adoption instead of free trade, which created that agitation in Canada in favour of annexation. Our merchants could not compete in the British markets with the exports of the older nations, and our raw products were shut out of the American market by duties as high as thirty per cent. The manifesto, signed by men of all shades of opinion, advocated annexation because the efforts to obtain closer commercial relations with the United States had failed. Lord Elgin was then the Governor General of Canada, and he was by no means a free trader. I wonder if my hon. friend the Minister of Finance has read Walrond's "Letters and Journals of Lord Elgin." I would recommend him to read the following passage:

> How long can such a state of things be expected to endure?. .I am confident I could carry Canada unscathed through all these evils of transition, and place the connection on a surer foundation than ever, if I could only tell the people of the Province, that, as regards the conditions of material prosperity, they would be raised to a level with their neighbours.

Writing to Lord Grey, he says:

> You have a great opportunity before you. Obtain reciprocity for us, and I venture to predict that you will be able shortly to point to this hitherto turbulent colony with satisfaction, in illustration of the tendency of self government and freedom of trade to beget contentment and material progress.

Lord Elgin was authorized to negotiate the reciprocity treaty with the Washington Government. He concluded that treaty in 1854, and it was much wider than the Fielding-Knox pact of 1911. It was, it is true, abrogated by Congress in 1866, but that was in consequence of the difference between England and the United States during the Civil War. So that reciprocity was a cure for the evil of annexation in Canada, and reciprocity helped the people of Canada to get substantial and remunerative markets for their products in the United States. The result is worth mentioning. In 1854, the exports of the farmers of Canada to the United States amounted to only $10,473,000. In 1855, they amounted to $19,368,000, and in 1866 to $39,950,000. Sir John A. Macdonald, who was just as good an Imperialist as the Minister of Finance, was most anxious in 1865 that the treaty should be renewed. In 1878, when he was leader of the Opposition, he moved an amendment to the Budget of that year. He declared that his policy,

> moving, as it ought to do, in the direction of a reciprocity of tariffs with our neighbours so far as the varied interests of Canada may demand, will greatly tend to procure for this country, eventually, a reciprocity of trade.

In the tariff of 1879, which was the foundation of the so-called National Policy, there was that famous standing offer in which wheat, barley, rye, Indian corn, buckwheat, and all other grains; flour of wheat, and flour of rye, Indian meal, oatmeal and flour meal, were enumerated. We have there the standing offer of reciprocity to the United States, made by the Chieftain of the Conservative party.

But my hon. friend who is siding with the millers and the interests now implores the farmers of Western Canada to wait patiently until this war is over, when new arrangements will be made with the home Government to obtain a mutual preference. The answer to this is easy to make. First of all, this mutual preference policy has been to our knowledge defeated twice in England within the last 15 years. We are told that after this war new fiscal relations will exist after the war as between the the Dominion. As to that, Mr. Speaker, I believe that, in the loftier sense, new relations will exist after the war between the dominions and the Mother Country, but I say that those relations will not involve the putting of shackles on British trade. The answer to that contention has been given by Mr. Runciman, the President of the British Board of Trade. Speaking on the 10th of January of this year, in reply to a speech delivered by Mr. Hewins in the British

House of Commons, he used the following language:

> The idea of free trade as between the Allies is even more difficult than complete free trade between different parts of the Empire. As he truly pointed out, the action of our Empire has been more individualistic than that of any other Empire in the world. The individual policy of the dominions is not likely to be modified as far as we can see in any measureable time. They are determined to raise revenue in their own way and to foster their industry in their own way, and I think we must dismiss the idea of free trade within the Empire. So far as the zollverein, if you include the Allies as well, is concerned, I would point out that the difficulties are very great. I am certain if a zollverein between this Empire and the Allies were necessary to end the war successfully a zollverein we should have, for there is no arrangement which we are not prepared to make in order to bring the war to a successful conclusion.

So that Mr. Runciman, the President of the British Board of Trade, dismisses the idea of any zollverein between the various sections of the Empire. He says that if it is necessary and possible to have a zollverein between the Allies—not with the overseas dominions—during the war, in order to end the war, he is ready to advocate it as a war measure. Therefore the sentimental promise of my hon. friend the Minister of Finance to the unfortunate farmers of the West is a sorry substitute for a plain, honest and businesslike answer.

I do not purpose to go very deeply into the taxation measure which has been propounded by my hon. friend, because it is easy to see that he has already been bombarded by the business men in the country with petitions and protests, and that his Bill will be quite different from the resolution he has introduced. I shall therefore await the Bill before criticising its proposals. But, with your permission, Sir, I may be allowed to read the mild criticism of his predecessor, Mr. Fielding, the man who administered successfully the affairs of this country during 15 years, who gave Canada the British preference, and who piled up in successive years surpluses which unfortunately have been spent so lavishly since our friends opposite took office. In the Journal of Commerce of Tuesday, February 23, Mr. Fielding says:

> The retroactive character of the proposal is a good ground for objection, except perhaps in the case of the munition makers. These had very large profits during the past years—larger, probably, than they will have in the current year—and the retroactive provision doubtless was designed to reach them. But the general application of the tax to business from the beginning of the war, on August 4, 1914, is likely to be the cause of considerable trouble affecting, as it does, parties interested in transactions which were long ago settled and closed.

Mr. Fielding goes on to say:

> The minister has endeavoured to define what is "capital" for the purpose of his scheme, but the definition, as it stands, will not work out equitably. The holder of a watered stock, which has now become profitable, will escape the tax, because his dividend is less than 7 per cent on the par value of the shares, but on the price he paid—if there was originally any price—his dividend is 15 or 20 per cent on the real capital invested. While this lucky fellow escapes, the holder of shares of a more substantial character, purchased at a high premium, is taxed, because his dividend on the par value is 8 or 10 per cent, though in reality it is only 4 or 5 per cent on his investment. This is one of the most vulnerable parts of the minister's plan.

But I understand from the remarks interjected into this debate by the Minister of Finance that on this question of the definition of the capital of companies he intends, when his Bill is introduced, to give more satisfactory explanations than are found in the resolution as it appears here.

Speaking for myself only, I say that the tax on the war profits of the munition makers is not high enough. We all know that their profits have been abnormally high and I say that a tax of 50 per cent would possibly satisfy me with the retroactive clause. But a tax on industry, on business, is objectionable and a retroactive clause applied as against legitimate business and trade is nothing short of confiscation. This tax on business and trade will discourage investment of capital in industrial enterprises. It will prevent the flow of American capital into Canada. I know, as a matter of fact, and I will read the letter when we reach the committee stage, that an American capitalist who had decided to open at least four or five different establishments in Montreal, on reading the resolution introduced the other day by the Minister of Finance, decided to return to the United States and concentrate his business there.

We all know that there can be no war without heavy interest charges to pay. Some day, after this war is over, our customs and excise will not suffice to pay our interest charges. Then we will have, as a Government, to face a new measure of taxation. What is the fair and equitable system to be adopted in such a contingency? I say—and I speak for myself only—I commit no one to my views—that there is only one principle of equity and fairness, and it is the introduction of the income tax. Will the Minister of Finance

allow me to refer him to the classics? Will he allow me to read some lines written on the subject by masters in political economy? Let me refer him to Adam Smith in "The Wealth of Nations," book 5, chapter 2. He says:

> The subjects of every state ought to contribute to the support of the Government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state. The expense of government to individuals of a great nation is like the expense of management to the joint tenants of a great estate, who are all obliged to contribute in proportion to their respective interests in the estate.

Let me read now what is said by Adolphe Thiers, the first President of the Third Republic, who served the French monarchy under the Restoration, and who opposed the second Empire in the time of Napoleon III. M. Thiers said:

> Every kind of revenue, without exception, ought to contribute to the needs of the state, for all depend upon it for their existence. Every exemption from taxation is an injustice. . . . Society is a company of mutual insurance, in which each man should pay the risk in proportion to the amount of property insured. . . . Society is a company, in which each man has more or less shares, and it is just that each should pay in proportion to their number, whether they be ten, or a hundred, or a thousand, but always according to the same rate imposed on all. There should be one rule for all, nothing more or less.

Let it be well understood that I speak for myself only. I do not propose to the Government the introduction of an income tax at the present moment; but I say that the day will come, after this war is over, when, this country being saddled with a huge war debt, the Government will have to adopt the system which has been propounded by Adam Smith in his "Wealth of Nations" and by Adolphe Thiers. I invite the Minister of Finance to read again these classics on political economy, in order to find a better system than has been devised by him to meet the exigencies of the present situation.

One word more and I am through. I wish, as a French-Canadian, or, if you please, as a Canadian of French descent, to offer my most hearty thanks to the hon. member for West Middlesex (Mr. Ross), and to the hon. member for North Simcoe (Mr. Currie) for the words which they spoke in praise of my old Motherland, France. It is well that we should speak of the existing relations between France and England at this tragic moment, when France is fighting so valiantly to stem the tide of barbarian hordes around Verdun. For many a century England and France were enemies, but they were not enemies in the sense that Germany is an enemy to the civilized countries of the world. Even Sir Philip Sydney himself always spoke of France as "la douce ennemie de l'Angleterre"—the sweet enemy of England. You, Sir, will remember that when the English and the French were facing each other at Fontenoy the commander of the French very gallantly said, "Tirez les premiers messieurs les Anglais." To one of French descent who has travelled in Europe and lived here in Canada under British institutions, it is always difficult to realize that England and France should for centuries have lived in a state of hostility. I read not many years ago a book which well reflects the sentiments which France entertained for England during the latter part of the last century. The book was written by a French lady residing just across the channel on the French coast, and was published under the very suggestive title of "l'Ile Inconnue"—the unknown isle. In a lesser degree we might say that the average Englishman of that day spoke of France as a "terra incognita." The two races did not understand each other, because of secular conflicting interests, until our good and gracious King Edward VII established the entente cordiale, which I know will endure as long as the French and British live. The admiration of my English-speaking friends for the courage and bright qualities displayed by the French in this war seems to be a little mingled with astonishment. Mr. Speaker, I find nothing astonishing in the brilliant part played by France in this war. It is not a new France which is fighting to-day so nobly and so valiantly against the Hun. France is what she has ever been, the knight errant of civilization, of justice and of freedom. I have heard many people in days gone by speak of the French frivolity. My answer to that is the same as was given by the American war correspondent who accompanied the French troops the days following the glorious retreat from the Marne. "A frivolous people? Why," he said, "they are the most thoughtful people in the world; their frivolity is nothing but a disguise. There is no miraculous regeneration in France. You cannot remould a nation's soul in a day, in a week or in a year." Mr. Speaker, the France of Poincaré, of Joffre, of Castelnau, of Pau, of Foch is the France of Joan of Arc, of

Desaix, of Hoche and of Marceau. Her internal dissensions of the past are but evidence of the intense intellectuality of the French people, and of their keen pursuit of ideals. No, Mr. Speaker, it is the same old France. Even one of our enemies, Count von Bulow, says in his book, "Imperial Germany": "It is a peculiarity of the French nation that they place spiritual needs above material ones." I can quite understand that a propounder of German kultur thought this peculiar.

Before concluding, I should just like to give the House a description of the French by a Frenchman, and a Frenchman of no mean ability, Alexis de Tocqueville, who wrote on the American democracy more than half a century ago. I think, after listening to this, the House will better understand how France is France and how the French are the French:

> When I contemplate this nation itself, it strikes me as more extraordinary than any of the events in its history. Was there ever in this world a people so full of contrasts, so extreme in each one of its actions, more guided by emotions and less by principles? Thus always doing better or worse than was expected, at one time below the common level of humanity, at another far above it; a people so stable in their principal instincts that they are still recognizable in portraits that were drawn two or three thousand years ago, and at the same time so changeable in their daily thoughts and in their tastes, that they themselves are finally astonished at the spectacle they present, and are often as surprised as foreigners at the sight of what they have just done; the most stay-at-home creatures of habit when left to themselves, but once they have been forced, against their will, to abandon their accustomed dwellings and uses, ready to carry all before them to the ends of the earth, and to dare anything; intractable by nature, and nevertheless submitting with a better grace to the arbitrary and even brutal rule of a prince, than to the orderly and free government of the principal citizens; one day the avowed enemy of all allegiance, the next day serving with such a passionate devotion as even the nations most prone to servitude cannot attain; people who can be guided by a thread as long as no one resists, but who become ungovernable as soon as the example to resist is given anywhere; thus always deceiving their masters who fear them either too little or too much; never so free that it is hopeless to try and subjugate them, nor so utterly enslaved that they cannot throw off the yoke; qualified for anything, but excelling only in war; worshipping chance, force, success, show and glamour, rather than true glory; more capable of heroism than of virtue, of genius than of common sense, better able to conceive immense schemes than to consummate great undertakings; the most brilliant and the most dangerous of the nations of Europe.

And he concludes with the following sentence, which is often quoted:

> And the most apt to become in turn an object of admiration, hatred, pity, and terror, but never one of indifference.

This is France as depicted by one of the foremost French writers and thinkers. I said a moment ago that for many centuries the French and the English of the old world did not know nor appreciate each other well. So it is ,so it has been between the English-speaking and the French-speaking Canadians. May I say to my English-speaking fellow-members, after having sat in this Parliament for twenty years, counting as many friends amongst the English as amongst the French, knowing my compatriots as I know them, understanding their traditions and their aspirations, that they are one of the best assets of the British Empire. Bear always in mind that their language and their traditions are a barrier, not to British influence, not to British civilization, not to British ideals, but to Americanization, which is admittedly the greatest danger of Canada.

In conclusion, may we not hope that this war, in which French-Canadians and English-Canadians fight and die for the same ideals, may be the promise of a brotherhood exhibiting harmony and strength at home, may substitute for disunion, misery and contention, the actual arrival and the yet richer promise of a reign of peace for our common country.

Mr. G. H. BRADBURY (Selkirk): Mr. Speaker, at this late hour I do not intend to enter into a discussion following my hon. friend (Mr. Lemieux), who has delivered such an eloquent speech. I have risen for the purpose of criticising just for a few moments some of the remarks which have fallen from the lips of the member for Assiniboia (Mr. Turriff). We have read a good deal during the last few months of the sniping that is going on at the front, that most cowardly kind of fighting in which men hide themselves in a bush and shoot those who have no chance to defend themselves; but there is political sniping going on in this House of such a nature that is utterly unworthy of any man either in or out of the House. I am very sorry that the hon. member is not in his seat, because I would like him to hear what I have to say regarding a statement which he made in reference to a loyal citizen of Canada. I had just left the Chamber or I would have called him to order when he made the statement, but after I came back I was informed of what he said. Speaking of

some of the employees of the Public Works Department, he said:

> Some years ago, when my hon. friend the Minister of Public Works came into power, he was very ready at firing men and putting Germans into their places.

That statement is absolutely without foundation, and the hon. gentleman ought to have known that. He went on to say:

> In charge of the dredging works at the mouth of the Red river he has a man named Sweeney, a pro-German.

That statement is also absolutely incorrect and without the slightest foundation. It is unfair, and, if I dared use the language that I feel like using, I would use much stronger language in regard to it. The hon. gentleman who made this statement in this House regarding Mr. Sweeney, would not dare repeat it outside the precincts of this House, because the laws of the country would call him to account for it. He said further:

> If you went into his office at any time, you would find him, with his feet up on the desk and a cigar in his mouth, reading pro-German papers, and every time the British lost anything in the way of a battle, he was exulting over every one that came within sound of his voice; when the Germans won a battle, he was all happiness. That is the class of man who has been brought down east and put in charge of the Toronto harbour improvements.

The hon. gentleman has been stuffed by some one who has told him what is absolutely untrue and who has made him convey to the House and to the country statements that are absolutely unfounded and untrue. There should be some fairness on both sides regarding public officials. I have known Mr. Sweeney ever since he came to Winnipeg to take up a position in the Public Works Department. He is, without any exception, one of the brightest young engineers in Canada.

Mr. LEMIEUX: Is he a German? The name does not sound German.

Mr. BRADBURY: He is not a German. He is a loyal Canadian; he is a British citizen, and he has done what the hon. member for Assiniboia (Mr. Turriff) has not done; he has volunteered and joined Colonel Sharpe's regiment, the 184th. Yesterday he told me in the corridors of this House that he had asked the Minister of Public Works two weeks ago to relieve him in order that he might join Colonel Sharpe's regiment. He has given up a position worth $4,000 a year in order to don His Majesty's uniform and fight for the Empire. The conduct of the hon. member is unmanly, unfair, and unjust, and should not be permitted from any member of this House. I cannot help thinking that the hon. gentleman who has been guilty of this gross unfairness owes to Mr. Sweeney a public apology, and I believe that, when this matter is drawn to his attention to-morrow, he will be man enough to get up in this House and take back what he has said.

Mr. CARVELL: Can the hon. member tell me if the gentleman who is under discussion was engaged in work in St. John some two or three years ago?

Mr. BRADBURY: I believe he was.

On motion of Mr. Oliver, the debate was adjourned.

On motion of Mr. Hazen, the House adjourned at 11.05 p.m.

Monday, February 28, 1916.

The House met at Three o'clock, the Speaker in the Chair.

REPORT.

Report of the Secretary of State for year ended March 31, 1915 (English and French versions).—Mr. Blondin.

COMMANDEERING OF WHEAT.

On the Orders of the Day:

Sir WILFRID LAURIER: At the last sitting of the House I inquired when we might expect the papers ordered by the House concerning the commandeering of wheat, and I was told that I would have an answer to-day.

Sir ROBERT BORDEN: I think the Minister of Trade and Commerce is prepared to make a statement on the subject to-day.

Sir GEORGE FOSTER: I am prepared to make a statement on the subject when the House reaches the Orders of the Day, but it would not be debatable then, and perhaps my right hon. friend would rather have it deferred until an occasion when it might be discussed.

Sir WILFRID LAURIER: If there is any correspondence on the subject, is my right hon. friend prepared to place it on the table of the House?

Sir GEORGE FOSTER: There is correspondence on the subject, the Order for which was passed by the House. But at the time of the passing of the Order I stated there would have to be some discre-

tion used as to what would be brought down. The papers are now being made up; but they are not yet ready.

Sir WILFRID LAURIER: We had better wait until they are ready.

STRIKE IN MAXIM-VICKERS WORKS.

On the Orders of the Day:

Mr. VERVILLE: Has the Minister of Labour any information respecting the strike in the Maxim-Vickers works, Montreal?

Mr. CROTHERS: I have no further information, except that efforts are being made to adjust the matter. I would suggest to my hon. friend that he would speak to me in private about these matters, as it is not considered in the public interest that they should be made public. I shall be glad to give him in private any information I have touching the matter.

POSITION OF J. K. SCAMMELL.

On the Orders of the Day:

Mr. CARVELL: I would call the attention of the Minister of Public Works (Mr. Rogers), and also of the Minister of Militia (Sir Sam Hughes) to a letter which appeared in the St. John Telegraph on Friday last, and which is signed by J. K. Scammell. I do not think it necessary to read the whole letter, but the substance of it is this: Mr. Scammell offered his services for overseas in August, 1914. He had been employed as an engineer in the Public Works Department, and he asked for leave of absence, which was granted, to go to Halifax to qualify as a lieutenant. He now finds that he has been practically retired from the position which he held. I would like to know what the policy of the Government is in regard to their positions in the Civil Service of men like Mr. Scammel, who volunteered for overseas service.

Mr. ROGERS: I have not all the facts in my mind concerning Mr. Scammell's case, but, as I recall, Mr. Scammell had been making certain reports on public works, which were recently discovered by the department to be not at all correct. Some action has been taken but I do not remember at the moment just what, I will let my hon. friend know to-morrow.

Mr. CARVELL: Might we not have a declaration of the policy of the Government in regard to such cases?

Sir ROBERT BORDEN: In what respect?

Mr. CARVELL: In reference to the position of officials of the different departments who have joined the overseas forces. The gentleman referred to is, I understand, a lieutenant in the 104th battalion.

Sir ROBERT BORDEN: The policy of the Government was set out in Orders in Council which were laid on the Table at the commencement of the session, and which formed the subject of debate when, I think my hon. friend was absent. If he will read that debate, and look at the Orders in Council, he will see what the policy is, so far as it has been formulated.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Bill No. 19, respecting a patent of James W. Owen—Mr. Middlebro—in Committee.

Mr. NESBITT: This is the Bill that was up the other night, when there was nobody present to explain it. Is there any one here now to explain it?

Mr. HAZEN: The hon. gentleman who introduced this Bill is not present. I understand he went home on Friday night and has been detained in consequence of the train service being disorganized. I have looked at the papers in the Department of Agriculture, which has jurisdiction over patents, and am prepared to explain the Bill to the committee.

In this case an inventor named Owen obtained a patent in the United States for a device in connection with a sound reproducing machine, on the 9th December, 1915. He also, about the same time, obtained patents in several other foreign countries for this invention. The Canada Patent Act, section 8, requires that an inventor who has obtained a patent in a foreign country should make his application in Canada for a patent within one year of the time at which he has obtained this foreign patent. This was not done, and he asks an extension of time. He presented reasons for this request which were satisfactory to the committee and they reported in favour of the Bill. The facts are that, well within the prescribed time, Mr. Owen gave the necessary instructions to a prominent firm of patent attorneys in the United States to make application in Canada for a patent, but that owing to the long illness, resulting in the death, of the patent attorney in whose hands this business had been placed, the matter was overlooked

and the application was not made. Subsequently to the death of the patent attorney, in whose hands the matter had been originally placed, the papers were put into the hands of another attorney and it was discovered that it was too late under the Canadian Act to make application here. Consequently this application is made to Parliament. The term of a Canadian patent is eighteen years. If the application had been made within the prescribed time, namely, in 1914, the patent would have expired in 1932. By an amendment made to this Bill in committee, it was provided that the patent to be granted now would cease in 1932, or at the time that it would have ceased if the patent had been issued within one year of the time at which it was granted in the United States. These facts were established by affidavit before the Private Bills Committee which has reported the Bill for the favourable consideration of the House, and if the Bill is passed the Commissioner of Patents will be empowered to receive and deal with the application as if it had been made within the prescribed time.

I am told that this action on the part of the Private Bills Committee is not at all inconsistent with the practice of the committee for some years past in a number of other cases. The Department of Agriculture, I am informed, does not look with favour on any Bill by which it is sought to override the provisions of the Patent Act, but the present Bill, I am advised by those whose business it is in the department to study measures of this sort, is less objectionable than the ordinary one, the object of which is usually to revive a patent which the patentee had allowed to lapse. The department, while giving the facts, were not opposed to the passage of this Bill through the Private Bills Committee. The feeling rather of the department is that, these facts having been proved to the satisfaction of the Private Bills Committee and the Private Bills Committee having recommended this Bill, it would not be justified in opposing its passage.

Mr. CARVELL: I was not at the meeting of the Private Bills Committee when this Bill went through and therefore I suppose I ought not to come here and find fault. But, it seems to me that we might as well repeal our whole Patent Act as to allow Bills of this kind to be continually put through Parliament. It does not seem to make any difference how negligent a man may have been with reference to carrying out the provisions of the Patent Act; if he has money enough to pay his fee, and retain some solicitor to make a reasonable excuse, he can get his patent through. This has been going on ever since I have been in Parliament, and I must say that the nuisance is getting worse every year; in fact, I think there have been more of these Bills going through Parliament in the last three years than during all the time since I first came to Parliament. You have heard the explanation which the hon. the acting Minister of Agriculture (Mr. Hazen) gives this afternoon, and he gives it, of course, in perfectly good faith. A man hands over such an important thing as the obtaining of a patent for something which he looks upon as being valuable and he says that he places it in the hands of a solicitor who becomes ill. Is there any man in this House innocent enough to believe that that man did not know that this solicitor was ill, that a man who takes the trouble to obtain a patent in a foreign country is not looking after his interests sufficiently to know that his solicitor is ill? I do not believe it at all. That may be a very strong statement to make, but I have seen too many of these excuses put before this House during the last ten or eleven years and I am beginning to look with suspicion on every one of them. I will vote against the passage of this Bill. I do not know who the parties are and I do not know what the value of the patent may be. It may be worth $10,000,000, or $100,000 or it may not be worth $1. I think the time has come when we should stop that sort of business. We have enough provisions in the Patent Act by which any reasonable omission can be corrected by the patent office itself. I had a case not long ago where an American manufacturer honestly came to Canada in order to try to obtain a factory in which to manufacture his invention, but on account of the factories being so taken up with the manufacture of munitions of war he was unable to carry out his purpose. He made an affidavit setting forth the facts and he put it before the patent office. They held that this affidavit was sufficient and they gave him an extension of time for one year within which to commence the manufacture of the patented article in Canada. But this man has entirely slept upon his rights; he has not applied to the patent office in Canada within one year of the time at which he obtained his patent in a foreign country. To show the fallacy of granting this extension: there are a

number of other reasons for which a patent may become void, and one of the principal ones is that if the article has been on sale in any foreign country for a longer term than one year prior to making the application in Canada, the applicant cannot get his patent here. We have no evidence that this article may not have been on sale two or three years in the United States before the application was made in Canada, and if that is so the patent never should be granted. Yet, by this Bill, the man is reinstated with all his rights, no matter how much he may have violated the provisions of the Canadian law before that, the only palliation being that there is something like a year taken off the life of his patent at the other end eighteen years hence. I do not think any patentee will feel that he is called upon to make any very great sacrifice by the fact that his patent shall be for seventeen years instead of eighteen years. I make these observations without any feeling in the matter I am registering this protest on principle, and I hope the time will come when this Parliament will stop reinstating men in patent rights when they have either violated, or neglected to observe, practically every provision of the patent law of Canada.

Mr. MACDONALD: Will the minister tell the committee whether the person asking for this exceptional treatment is a Canadian or belongs to some other country?

Mr. HAZEN: He belongs to the town of Lansdowne, Pennsylvania. That is set out in the preamble of the Bill. I may say, in regard to what has been said by my hon. friend from Carleton, N.B. (Mr. Carvell) that I do not know who this gentleman is, nor do I know anything about him, but it would appear that he has acted in good faith in regard to the matter. That, of course, was a matter for the Private Bills Committee to ascertain and he satisfied the committee by affidavits that are produced here and which show his bona fides. It seems to me that under circumstances of this sort, when a man swears that he, still within twelve months of the time when he obtained his patent in the United States, placed his business in the hands of a reputable patent attorney with instructions to make his application in Canada, that the attorney became ill, that the matter was neglected and that, in consequence of that fact, he did not make his application, there is reason which would justify this Parliament in granting this extension. The case presented is one that seems to have justified the Private Bills Committe in coming to a conclusion to recommend it. Apparently there could be no reason why he should delay his application for twelve months after he obtained his patent in the United States. If he actually did not, and if he gave instructions to a reputable attorney to have this patent taken out in Canada and if, through the illness of that attorney, and through no fault of the applicant, that was not done, there seems to me to be a fair case made out why this Parliament should exercise its right and grant him the right to take out a patent under the patent law of the land for the length of time which the patent would have run if taken out in the first instance within the time provided by law.

Mr. CARVELL: Notwithstanding the explanation made by the minister, I would like to see this Bill go back to the Private Bills Committee. I would like to see the Private Bills Committee bring this man before them. It is a simple matter to draw an affidavit which means nothing and yet is not perjury. He says that he put this matter into the hands of a solicitor who has since died. That may be all true and yet there may be no excuse in it. I would like to know if the attorney had a partner, a well-organized office, a number of clerks in his office, or somebody else, to carry on his business, and I would like to know whether all the business in that solicitor's hands was allowed to lapse for months because the solicitor was ill and subsequently died. I venture to say there is not a word of that kind of explanation in the affidavit and yet I dare say that every word in the affidavit may be true, but even if the condition that I have suggested is true it is no excuse why this Parliament should step in and rectify these blunders and omissions. A patent is an important thing. A man who invents a new or useful article is entitled by law to protection in the manufacture and sale of that article so long as he complies with the laws of that country. If he does not comply with the laws of the country he is not entitled to protection and the people of this country generally are entitled to the use of that article. Every day we are deliberately thrusting away from our own people the right to the use of something which some foreigner has invented and has failed by his negligence to protect himself in the use of in Canada; and yet, we are stepping in and

giving him these valuable rights. I would like to see this Bill go back to the Private Bills Committee and I would like to see the Private Bills Committee establish the precedent of bringing these gentlemen before the committee and having them sworn so that we would have a chance of examining and cross-examining them in order to see if the real reason has been given for the negligence in this and other cases.

Mr. MACDONALD: The situation in regard to this Bill would vary somewhat depending on whether the applicant for exceptional treatment was a citizen of Canada or whether he came from some other country. After all, what is done under the Patent Act is to give certain persons, by way of a premium upon invention, the exclusive right to manufacture and sell the particular articles which they have produced. The inventor is given that privilege at the expense of the public in Canada who must pay tribute to him either by royalty or in some other way is they desire to use the article. In regard to the question of amendments to the patent law, I have deemed it my duty on various occasions to note with some care the measures which have been submitted to this Parliament giving special rights to parties who made lapses and departures from the statute. In most cases, although various reasons were put forward by the parties, it would seem that, as a matter of fact, the party had discovered that the article which he had produced had proved to be of some greater value than he had at first suggested and that the neglect to comply with the statute was due to a cause of that kind more than to any reason such as could be forward in this particular case. What is the proposition before the committee? That this man living in Lansdowne, Pa., who has an article which he has patented in the United States, and which could not be patented in Canada under the procedure more than a year after the date of having obtained the patent there, has forfeited his right of imposing on the Canadian people the exclusive right of manufacture and sale which would otherwise be his under the Patent Act. It is all very well for a solicitor to present a Bill to this House and give as a reason that his attorney was ill and that therefore the matter was neglected. I see no reason whatever why Parliament should go outside of the Patent Act and give any special rights to this gentleman who happens to belong to another country. This is very exceptional treatment and if the law as it has been laid down, and has not been amended, is to be disregarded, do not let us disregard it for people outside of Canada who are to be given special privileges. By what reason are we to say that manufacturers in Canada could not go on and produce the article which this gentleman could have patented freely and without any restriction? Why should we impose a tax, by way of royalty, on anybody in Canada who wanted to produce it for the benefit of this gentleman in the United States who did not choose to have his business looked after? The hon. member for Carleton (Mr. Carvell) says that this gentleman engaged an attorney in the United States, and that the attorney fell ill and did not attend to the business. I submit, as a professional man, that it would be very curious indeed if that occurred. Was there only one lawyer in that firm; was there no other lawyer looking after the business of this attorney? What was happening to all his other interests while he was prevented from attending to such an ordinary matter as looking after this patent? Even supposing that the claim submitted is true, and I suppose we must presume, prima facie, that it is true, that is not sufficient for this Parliament to go out of its road to give to an alien such advantage over the Canadian people.

Mr. HAZEN: In view of the opposition which has developed to the Bill, as its promoter is not here, and as there seems to be present very few members of the Private Bills Committee, who have heard the evidence, perhaps it would be better to report progress. I therefore move that the committee report progress and ask leave to sit again.

Progress reported.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

DINGWALL, N.S.—POSTMASTER.

Mr. McKENZIE:

1. When was Joseph O'Brien, of Dingwall, Nova Scotia, appointed postmaster and telegraph operator at that place?
2. When was he removed, and what were the reasons for his removal?
3. Who was appointed to the office which he held?
4. Was there an investigation held in his case? If so, who was the investigator, and what was the cost of the investigation?
5. Was there a written report filed by the investigator? If so, when?
6. Who was appointed or sent to instruct the new operator at Dingwall, and at what cost to the department?

7. Who is the operator at Dingwall at present?

8. Was there more than one appointment made to office of telegraph operator at Dingwall since Joseph O'Brien was reported as dismissed?

9. If the second appointment was made, who instructed that appointee, and at what cost to the department?

Mr. BLONDIN:

1. Was appointed postmaster of Dingwall, N.S., on the 1st December, 1907, and agent of Government telegraphs on 1st November, 1907.

2. On 11th September, 1915, owing to his inability to perform the duties of the office satisfactorily.

3. Mr. David Macdonald who resigned in favour of Mr. Gordon W. McPherson.

4. No investigation was held; charges of closing the office for days at a time and sending no meteorological reports were made by Mr. R. F. Stupert, Director at Toronto, and were admitted by Mr. O'Brien.

5. Answered by No. 4.

6. Miss Bingham was sent to instruct McDonald but instructed McPherson; cost ninety dollars.

7. Gordon W. McPherson.

8. Yes, answered by No. 3.

9. Answered by No. 6.

NORTH ONTARIO MINES.

Mr. BOULAY:

1. What quantity of metal, extracted from the North Ontario mines, has been exported to the United States for refining and finishing, during the years 1912, 1913, 1914 and 1915?

2. What is the total value of the mining products thus exported?

Mr. BLONDIN:

1. Department of Customs: Export entries in Department of Customs do not indicate in what part of Ontario metal shipped from Canada to United States originates.

Department of Mines: The compilation of statistics of exports is not within the scope of the Department of Mines.

2. Answered by No. 1.

PAYMENTS TO H. B. DUCHEMIN.

Mr. SINCLAIR:

What is the gross amount paid to H. B. Duchemin, barrister, of Sydney, N.S., by the present Administration for his services since October, 1911?

Mr. BLONDIN:

Agriculture Department, $75; Customs Department, $813.70; Interior Department, $15; Marine Department, $1,181.25; Militia and Defence Department, $36.80; Post Office Department, $817.50; Public Works Department, $371.25; Railways and Canals Department, $1,365; total, $4,675.50.

WAR EXPENDITURES BY DEPARTMENTS.

Mr. A. K. MACLEAN:

What were the sums paid on war account during the present fiscal year to January 31, 1916, by the several departments of Government outside of the Militia Department?

Mr. BLONDIN:

Agriculture, $3,758.04; Auditor General, $3,271.27; Governor-General's Secretary, $516.64; External Affairs, $8,046.76; Finance, $73,428.12; Indian Affairs, $4,909.39; Inland Revenue, $20,420.33; Interior, $35,033.74; Justice, $1,218,643.75; Labour, $529.97; Marine, $10,383.37; Mines, $927; Naval Service, $5,280,568.48; Post Office, $272,372.54; Privy Council, $12,510.56; Public Works, $76,000.05; Railways and Canals, $125,027.61; Secretary of State, $15,029.80; Trade and Commerce, $9,458.10.

INDUSTRIAL DISPUTES ACT.

Mr. MACDONALD:

Is it the intention of the Government to introduce any legislation at this session of Parliament to amend the Industrial Disputes Investigation Act?

Mr. CROTHERS: The matter is under consideration.

ASSISTANT CLERK OF ROUTINE AND RECORDS.

*Mr. TURRIFF:

1. Is it the intention of the Government to appoint, by statute, as Assistant Clerk of Routine and Records, Mr. M. Crossley Sherwood, son of the secretary of the Conservative Association, Ottawa?

2. Has the Speaker given instructions to include in the Supplementary Estimates an item to appoint by statute Mr. H. Crossley Sherwood as Assistant Clerk of Routine and Records, as a salary of $1,600 per annum?

3. If so, why is the Civil Service Commission being ignored in filling this position?

4. Has Mr. H. Crossley Sherwood passed the Civil Service examinations?

Sir ROBERT BORDEN: It is not the practice to give information as to Supplementary Estimates before they have been submitted to His Royal Highness the Governor General and approved by him.

SUSSEX BATTALION MEDICAL OFFICER.

*Mr. PROULX:

1. Who is the Medical Officer of the battalion now being formed at Sussex, N.B.?

2. Has Dr. Burnet, of Sussex, N.B., been doing any portion of this medical inspection work?

3. If so, what amounts have been paid Dr. Burnet since August 1, 1914?

Sir SAM HUGHES:

1. Captain David D. Freeze.

2 and 3. Yes; $637.50 for examination of recruits for 104th Battalion.

ACCOMMODATION FOR SOLDIERS AT CAMPBELLTON.

Mr. MICHAUD:

1. Were the engine houses of the Intercolonial railway at Campbellton, N.B., fitted up for the soldiers?

2. If so, were tenders called for to do the work? If not, who was appointed to look after the work?

3. Were tenders called for material supplied in connection with the fitting up of the said engine houses? If not, who has supplied said material, and to what extent and value?

Sir SAM HUGHES:

1. The shops of the International Railway at Campbellton, N.B., (not engine houses of the Intercolonial Railway) were fitted up for soldiers.

2. No. Work done by day labour under supervision of Lieut. Cavanagh and Staff Sergt. Collins.

3. No. Materials were purchased direct as follows: Lumber, from D. A. Stewart, $1,435.02; plumbing, from H. Marquis, $386.76; 20 heating stoves, 1 jacket heater, from A. H. English, $539.17; 3 cooking ranges, from Enterprise Foundry Co., $124.50; 1 12-seat w.c., from Amherst Foundry Co., $204.43; sewerage, from town of Campbellton, $327.77; electric light fixtures, from H. Marquis, $177.12. These accounts are being examined by the Engineering Department, and, where not found fair and reasonable, will be reduced.

CAMPBELLTON PUBLIC BUILDING.

Mr. MICHAUD:

1. Were repairs alterations and improvements made to the post office and customs building at Campbellton, N.B.?

2. If so, were tenders called for the work, and how much did it cost in each case?

3. Was the sidewalk repaired in front of said post office? If so, by whom, and how much did it cost?

Mr. DOHERTY:

1 and 2. Yes, in April, 1915, fire escapes were erected; two tenders were received, and contract was awarded to the lowest for $243. In November, 1915, the customs offices were transferred from ground floor to basement; new partitions, doors, etc., were built under agreement with D. A. Stewart for $310. Cleaning, tinting, etc., done under agreement with W. Metzler for $75. In 1913, grading, wire for, and erecting fence cost $103 under agreement.

[Mr. Proulx.]

3. Yes, in 1913, sidewalks were removed and repaired by D. A. Stewart at a cost of $213.

MAJOR G. OGILVIE, R.C.A.

Mr. LAMARCHE:

1. Is Major G. Ogilvie, R.C.A., in the employ of the Government at Quebec?

2. If, so, since when, and what are his duties?

3. By whom was he appointed, and on whose recommendation?

4. Was Major Ogilvie born in Canada or in Great Britain?

5. What rank and grade did Major Ogilvie hold in the Canadian Militia before his appointment?

6. What rank and grade does he hold in the British army?

7. What special qualifications has he in regard to explosives, and what experience has he had before entering the employ of the Government?

Sir SAM HUGHES:

1. No, not now.

2-7. Answered by No. 1.

WAR SUPPLIES—REMOUNTS.

Mr. SINCLAIR:

What is the average price paid by the Department of Militia and Defence for remounts for the use of the Canadian forces, from the opening of the war until March 31, 1915?

Sir SAM HUGHES: Average, $162.53.

PAY OF CANADIAN SOLDIERS.

Mr. CARVELL:

1. (a) What proportion of the pay of Canadian soldiers is withheld by the department while in Canada, (b) while in England, and (c) while at the front, respectively?

2. Is any portion so withheld from those soldiers who have assigned any portion of their pay to dependents?

3. When will the amounts so withheld be paid?

4. In case of the death of such soldier, to whom will the drawback be paid?

Sir SAM HUGHES:

1. (a) While in Canada, $10 is withheld from the pay of all soldiers enlisted for service in the Canadian Expeditionary Force for a period of six months, as a set-off for issues of clothing, etc. If the man deserts or is discharged for misconduct during this period, the amount is forfeited. (b) While in England, 50 per cent of the soldier's pay is withheld, and, in the case of men guilty of misconduct, the General Officer Commanding is authorized by Order in Council to direct that men shall only receive the same rate of money as paid to British soldiers. (c) While at the front, to comply with the requirements of the British Army, pay is only issued in limited amounts of

six dollars a month, but men employed at various stationary bases receive larger amounts.

2. Where there is an assignment of pay, a sufficient amount is withheld, spread over several months, to build up a credit equivalent to the amount assigned, and this is kept in hand as a credit balance so long as the assignment is in force. When once this credit balance is in hand, if the assignment amounts to 50 per cent or more of the men's pay, no further amount is withheld.

3. Amounts withheld are paid to the men on return to Canada or on discharge from the Force, except that in the case of men serving at the front who only receive limited amounts while in the field, when they proceed on leave to England they receive any balance up to 50 per cent of their pay

4. In the case of death, all sums standing to the credit of the soldiers are dealt with in accordance with the law, and are paid to the heirs or other beneficiaries who may be entitled to the same.

TONNAGE OF CANADIAN VESSELS.

Mr. SINCLAIR:

(a) What is the aggregate net tonnage of all steam vessels standing on the Canadian Register in 1910, and (b) the increase each year since to date?

Mr. HAZEN: (a) 337,721. (b) 1911, 17,864; 1912, 34,149; 1913, 39,562; 1914, 25,772; 1915, 7,387. (Approximately).

W. LLOYD CARKNER.

*Mr. LEMIEUX:

1. Is the Government aware as to whether or not Mr. W. Lloyd Carkner, formerly employed as a member of the railway mail service at Montreal, has been transferred to the Post Office Inspector's Office in the same city, dating from the 6th of July last?

2. Is the Government aware as to whether or not the said Mr. Carkner was appointed deputy inspector in place of Mr. Elie Maurault, deceased?

3. Is the Government aware as to whether or not the said Mr. Carkner performs any of the duties of his office, and if he is still acting as a member of the office of the superintendent of the railway mail service at Montreal?

4. Is the Government aware as to whether or not Mr. Carkner is being paid by and belonging to the Post Office Inspector's Office, in charge of the railway mail service branch at Montreal?

5. Is the Government aware as to whether or not Mr. Carkner was appointed to fill the vacancy caused by the death of deputy inspector Elie Maurault, and is being paid as such, and at the same time performs the duties in an office independent from the Post Office Inspector's Office?

6. Is the Government aware as to whether or not Mr. Carkner's salary is continued as far as $2,500, while no one in the superintendent of the railway mail service office, with the only exception of the superintendent himself, is said to be entitled by law to go any further than $1,800?

Mr. MEIGHEN:

1. By Order in Council, dated 7th August, 1915, Mr. William Lloyd Carkner, first-class clerk, grade "A," in the office of the superintendent of the railway mail service, Montreal, was promoted to the position of assistant post office inspector at Montreal, as from the 6th July, 1915.

2. Mr. Carkner was promoted to replace Mr. Elie Maurault, deceased.

3. Since the date of his promotion, Mr. Carkner has been employed partly in connection with work attached to the post office inspector's office and partly in connection with work attached to the office of the superintendent of the railway mail service. Owing to the efficient services and close knowledge of the work connected with the office of the superintendent of the railway mail service, it has been necessary for the department to make use of his services in the way mentioned until arrangements had been made for his work in that office to be taken over by another official. This has now been arranged. In this connection, it may be mentioned that the work now done in the office of the superintendent of the railway mail service was originally transacted in the office of the post office inspector and is, therefore, of a similar nature.

4. Mr. Carkner's name has been on the pay-list of the post office inspector since the 1st September, 1915.

5. Answered by 1, 2 and 3.

6. As assistant post office inspector, Mr. Carkner was appointed at the minimum salary of $1,800 a year, which can be increased by annual increments of $100 up to a maximum of $2,500. The promotion did not give Mr. Carkner any immediate increase in salary.

MAJOR DE LOPASSEY.

Mr. LANCTOT:

1. Is there an officer named Major De Lopassey employed in the fifth military division at Quebec?

2. If so, what are his duties?

3. Is the said Major De Lopassey authorized to require that the contractors for military works in the said division supply him with their reports and accounts in English and to refuse such as are written in French?

Sir SAM HUGHES:

1. Yes.

2. In charge of engineer works in 5th Division.

3. No.

RIVIERE OUELLE WHARF.

Mr. ERNEST LAPOINTE:

1. Did Dr. Michaud, of St. Pacôme, county of Kamouraska, sell wood and materials for the wharf at Rivière Ouelle during the years 1914 and 1915?

2. If so, what materials were sold by him, and what were the quantities and prices of such wood and meterials?

Mr. DOHERTY: No wood nor materials were purchased in the fiscal years 1914 or 1915, but during the calendar year 1915 the following materials were purchased: 29,923 feet spruce at $23, $688.28; 2,572 feet 2-inch timber at $28, $72.01; 5,529 feet 3-inch timber at $23, $127.16; 3,073 feet plank at $23, $70.67; cartage, 9 loads at $2, $18; 523 feet finished plank at $28, $14.64; 596 feet heavy plank at $28, $16.68; 6,264 feet 3-inch spruce at $23, $144.07; 2 windows at $4.50, $9; cartage, 8 loads at $2, $16; total, $1,176.51.

POST OFFICE DEPARTMENT ADVERTISEMENTS.

Mr. GAUVREAU:

1. What amount was paid to Mr. Auguste Bourbeau, or his newspaper L'Echo des Bois-France, at Victoriaville, Quebec, by the Post Office Department for advertisements or announcements of tenders for mail contracts, either for regular mails or for rural deliveries, during the financial year 1915-16?

2. Is it the practice of the Post Office Department to give such advertising and publication to newspapers that are neither published nor printed, nor received in the localities, districts or counties through which such rural delivery and such mail-carrying is done?

Mr. MEIGHEN:

1. $595.60.

2. The practice of the department is to advertise in newspapers which are published or have consiclerable circulation in the districts concerned.

IMMIGRATION.

* Sir WILFRID LAURIER:

Did the Government take up with the British Government the question of greater co-operation in immigration, in accordance with an offer contained in a letter from the Right Honourable John Burns, President of the Local Government Board to Mr. Arthur Hawkes, published by authority of the Hon. Robert Rogers in a special report on immigration, in May, 1912? If so, what progress has been made?

Mr. ROCHE: The immigration efforts of the Dominion Government are confined to securing for Canada agriculturists, and, at times, female domestic servants. As the British Government does not desire to encourage the emigration of agriculturists, no greater degree of co-operation than now exists can be hoped for while our immigration policy remains as at present, and for this reason no representations regarding co-operation have been made to the British Government.

FARNHAM CAMP.

Mr. KAY:

1. Is it the intention of the Department of Militia and Defence to mobilize any troops at Farnham, Quebec, during the coming summer?

2. What has been the total expenditure on the Farnham camp grounds from the first of January, 1913, to the first of January, 1916?

3. What has been the total revenue received from these grounds between the first of January, 1913, to 1916?

4. If it is not intended to use the grounds for military purposes, is it the intention of the Government to dispose of this property?

Sir SAM HUGHES:

1. Under consideration.

2. $3,310 on engineer services.

3. $134.

4. The question has not been considered.

BEAR RIVER, N.S., PUBLIC BUILDING SITE.

Mr. MACDONALD:

1. Was a site for a public building in Bear River, Digby county, N.S., purchased since the last sitting of the House?

2. If so, from whom was it purchased?

3. What was the price of the land?

4. Is it the intention of the Government to proceed with the construction of the building pending the war?

Mr. DOHERTY:

1. Yes, a recommendation to Council for this lot was prepared and sent to Council in April, 1914, but delay in the negotiations prevented the matter from going through until 1st November, 1915, when title deeds were passed.

2. Mary A. Rice et al.

3. $2,200.

4. No.

STELLARTON PUBLIC BUILDING SITE.

Mr. MACDONALD:

1. Has land for a public building in the town of Stellarton been purchased by the Department of Public Works?

2. If so, was the deed passed for the same?

3. Has the price been paid?

4. Is it the intention of the Government to proceed with the erection of a building thereon this year?

Mr. DOHERTY:

1. Two parcels of land were expropriated in June, 1912, and papers amended on 28th July, 1915; the vendor, Mrs. McKay, is unable to show a complete title to the land.

2. No.

3. No.

4. No.

PICTOU COUNTY RECRUITING OFFICERS.

Mr. MACDONALD:

1. Who are the recruiting officers in the county of Pictou?
2. What amounts are paid to them as salary?

Sir SAM HUGHES:

1. Captain the Rev. J. F. Tupper, Major Robert H. Graham.
2. They receive the pay of their rank.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Kyte.—For a return showing in detail the payment or payments, amounting to $647.50, paid to P. A. Stoddart, fishery guardian, Shelburne county, N.S., during the year ending March 31, 1915.

Mr. Kyte.—For a copy of all correspondence, letters, telegrams and documents of all kinds relating to the chartering of the vessel Starling, by the Department of Marine and Fisheries.

Mr. Pugsley.—For a copy of the contract with the Amalgamated Dry Dock and Engineering Company for the construction of a dry dock at North Vancouver, B.C., together with the application for subsidy therefor, and also a copy of all reports of engineers' correspondence, and all other documents relating thereto.

Mr. Gauvreau.—For a copy of all accounts, telegrams, letters, bills of costs and other documents relating to the case of J. P. Dionne against the King, before the Exchequer Court, in which case Mr. Leo Bérubé was attorney and Mr. E. H. Cimon was counsel, both being lawyers of Fraserville.

Mr. Proulx.—For a return showing the names, rank and military qualifications of the officers on the headquarters staff of the 1st, 2nd and 3rd divisional areas, including those on staffs of camps and schools of instruction, on october 1, 1915; the names of those of the above who on that date had volunteered, taken the oath and been attested for overseas service.

Mr. Ethier.—For a return showing the number of employees in the Militia Department at Ottawa on the 4th August, 1914; the present number of employees in the Militia Department; how many of them are of Canadian origin, and how many of foreign origin; the dates of their respective appointments, the nature of their duties, and their salaries.

Mr. Ethier.—For a return showing how many persons have enlisted in the Dominion since the 4th August, 1914; the number in each province; the number of French-Canadians in each province; the number of those who have recently come to Canada and enlisted, and the date of the arrival of each.

Mr. Delisle.—For a return showing the number in 1911, of the buildings leased in part or in entirety by the Government; what total amount such annual leasing represented; the number at present of buildings leased in part or in entirety by the Government; what total amount such annual leasing represents.

SUGGESTED DEPARTMENT OF PUBLIC HEALTH.

Mr. MICHAEL STEELE (South Perth) moved:

That, in the opinion of this House, the organization of a Department of Public Health is desirable in order to conserve in the largest measure possible the physical welfare of the people of this Dominion.

He said: Mr. Speaker, this question has been considered in a more or less casual manner by the different Governments of Canada for the past thirty years; but at no time in the past has the subject been so urgent as it is to-day.

It is amazing at this period of the world's history to read in even a few of our Canadian papers editorials which display a lamentable ignorance of the present day significance of the term public health. Whenever the subject is referred to, these journals, with gross ignorance of the subject and possibly with some prejudice, interpret it as having reference only to one phase of the medical profession. This view of public health might have been excusable half a century ago, but any person who looks at it in that light to-day merely illustrates the fact, all too apparent, that the subject has not received that intelligent consideration by those assuming to educate our people that its vast importance demands.

At the outset let me say a word to disabuse the minds of a few suspicious and misinformed people and newspapers who are labouring under a misapprehension regarding the object aimed at by this resolution. Permit me to say, it has no reference whatever to the subject of medical education nor to the teachings or beliefs of any school of medicine.

I said that this subject has been discussed in Parliament before; but, in view of the great development which Canada will experience in the near future, and in view of the wonderful advance that has been mede in the science of public health even in the last ten years, no apology is required on my part for its re-introduction at this time. The fact that the Dominion of Canada almost alone among the larger nations of the world has no department of public health, so defined, rests upon the basis upon which the Confederation of Canada was formed as set forth in the British North America Act. In 1867 little thought was given to public health problems, and the British North America Act makes no reference whatever to public health as a function of government. The Act merely states that census and statistics are under the Federal Government, while the management of hospitals, asylums and charities is left under the charge of provincial Government. There has always

been some confusion in the minds of our Canadian people regarding the authority of the Federal Government to deal with health matters.

The British North America Act, section 91, declares that the exclusive legislative authority of the Parliament of Canada extends to all matters coming within the classes of subjects enumerated, and among other subjects mentions (1) census and statistics and (2) quarantine and the establishment and maintenance of marine hospitals. Under section 92, enumerating exclusive powers of provincial legislatures, are named among others:

> The establishment, maintenance and management of hospitals, asylums and charities and eleemosynary institutions in and for the province, other than marine hospitals.

Practically all health work done in 1867 fell under "Quarantine and Marine Hospitals." Section 91 further states that:

> It shall be lawful for the Federal Government of Canada to legislate on all matters not coming within the classes of subjects by this act assigned exclusively to the Legislatures of the Provinces.

This appears with absolute clearness to give power to this Parliament to deal with public health matters, for the only phases of public health assigned to the provinces by the British North America Act are the establishment, maintenance and management of hospitals, asylums and charities. In so far then as the Federal Government in the interest of the State desires to perform public health work, it has competent power under the constitution to do so.

At the time of Confederation little thought was given to public health problems. No state in the American Union nor any province of Canada had a health department. It is not surprising therefore that a subject of so little interest at that time should receive such scant mention when the powers of the various legislatures were being defined by the Fathers of Confederation. It was not until fifteen years after Confederation, in the year 1882, that the first provincial board of health of Ontario was established, this being the first in Canada. Most of the provinces found it in their own interest to collect vital statistics, as the Federal Government failed to undertake this duty, and there gradually developed regular departments of health in the various provinces. This fact, however, does not in law relieve the Federal Government of the duty of administering a public health department. As a matter of fact, many health services are to-day conducted by the Federal Government Let me enumerate some of them:

Under the Inland Revenue Department: the chief analyst deals with composition of foods and drinks.

The Department of Agriculture: (1) the health conditions of construction camps or public works, controlled by Federal Government; (2) public health of Yukon Territory; (3) disease of animals; (4) various lines of work at Experimental Farm relating to plant and animal life; (5) vital statistics.

Department of Interior: (1) inspection of immigrants; (2) town planning and housing; (3) port hospitals; (4) health of Indians.

Department of Militia and Defence: (1) army medical corps and hospital service; (2) sanitation and food for the army.

Department of Public Works: sanitary inspection of public buildings.

Department of Marine and Fisheries: (1) studies of fish; (2) examination of pilots; (3) hospital care of sailors; (4) sanitation of ships; (5) health of sailors; (6) food for the navy.

Post Office Department: (1) sanitation of post offices; (2) infectious diseases as transmitted through mails.

Department of Finance: infectious diseases through handling money.

Department of Justice: (1) sanitation of prisons; (2) diseases of criminals.

These are sufficient to show the various lines of work now being done and the various directions in which expert scientific research will be required in the near future. When, therefore, it is contended that the Federal Government has no power under the British North America Act, we can reply that the Government has for years been taking control of much health work, and when it is asserted that public health is not the duty of the Federal Government under the British North America Act, it can with equal force and logic be insisted that public health is not a function laid upon the provinces since it is nowhere referred to in the Act of Confederation.

The present condition in the administration of health matters in Canada is in itself sufficient to warrant the organization of a special department inasmuch as the distribution of this work among eight or ten departments is not conducive to intelligent nor efficient administration. Let me illustrate this by a reference to the methods of dealing with immigrants. Immigrants are inspected by officers of the Department of the Interior. When placed in quaran-

tine they come under control of officers of the Department of Agriculture; and if necessary that immigrants be sent to a hospital, they come under officers of the Department of Marine and Fisheries. The results of such a system cannot but be lacking in efficiency.

Canada is almost the only country among the larger nations of the world that has no department of public health, defined as such. Every European country, with the exception of two or three of the smaller states, has a public health service. Japan has a most efficient department, and the United States, although for many years content to leave the administration of health matters chiefly to the individual states, have since 1871 gradually been developing a service under the Federal Government. At the close of the Spanish-American war the necessity of an up-to-date service was pressed strongly upon the Federal Government, and in 1902 the public health and marine hospital service was established and provision made for a hygienic laboratory and an advisory board. This board was composed of three competent experts from the army, the navy and from the Bureau of Animal Industry, to be associated with the director of the laboratory, and five additional members, to be nominated by the Surgeon General. The Act further provided for establishing research divisions of bacteriology, chemistry, zoology and pharmacology. This organization has made it possible to provide a large body of trained officials competent in every branch of public health work, not only to carry out the duties laid directly upon them by Congress, but also to be in a position to assist in the study of general problems which might affect the health, prosperity and commerce of the whole American people. In 1912 the duties of the service were further extended, and the whole organized into the Public Health service of the United States, with a surgeon general in charge.

The situations in so far as the Governments are concerned are very similar in both Canada and United States, and the conditions to be met are also so much alike that Canada may well, with the experience of the United States before her, consider in the light of that experience what her procedure may wisely be.

No duplication of work should be permitted. While the greater part of the health work now done in Canada is undertaken by the municipalities and provinces, the urgent problems of the future are wider than the mere provincial question; some of them are international. This being the case, it is proper to consider, having in view the changed conditions brought about by the discoveries of science, what is the duty of this Government in the highest interest of health of the whole people of Canada.

I referred a moment ago to the progress in recent years of medical science. Permit me to give some illustrations of this. I need only refer to the discoveries of Pasteur, Koch, Lister, each of whom by his researches, the result of which are known to the whole world, has saved the lives of untold numbers of the human race. Previous to Koch's discoveries, tuberculosis was little understood, and the person who developed the disease faced sure death. But with Koch's remarkable discovery of the tuberculosis bacillus, a new note of hope rang round the world. In the last fifty years the mortality from tuberculosis in Britain has fallen 50 per cent, and there exists to-day in the mind of the student of medical science a sure belief that with time and care tuberculosis will become a rare disease.

Cuba, which at the time of the Spanish-American war was a plague-stricken land, was, under the administration of the United States health service, cleared of malaria and typhoid, within a few years of the close of that war, and transformed into one of the garden spots of the world. The greatest thing that the United States has done for Cuba and Porto Rico since the close of the war has been its contribution to those countries of good health and sanitary science.

When the French endeavoured to build the Panama canal their attempts ended in utter failure, owing to the prevalence of disease in that section of our continent, but Surgeon-General Gorgas, by the application of modern science, destroyed the plague-producing agencies and made the construction of this great work a possibility and an assured success.

Our minds are centered to-day upon the great European war, and it may be interesting to know something about what medical science has done for our armies.

Typhus fever in Scotland in 1865 was responsible for a death rate of 108 per 100,000 of the population. This disease, with its unnumbered tens of thousands of sick and its thousands of dead, has practically vanished in the last fifty years—and its extirpation is a triumph of administration. Typhoid fever, the scourge of armies in previous wars, has, through scientific methods adopted for its control, become in the present war a minor cause of disease in all

armies except those in the Balkans, where sanitation was neglected. The history of smallpox is little less striking. With a death rate in Scotland fifty years ago of 35 per 100,000, it has been reduced until it is less than one per 100,000. With antitoxin, diphtheria has lost its chief terror.

In England and Wales the death rate for the five years from 1861-65 was 21·4 per thousand persons living. From that date the death rate gradually declined, until in 1908 it had fallen to 14·6 per thousand living. Under the improved methods of medical and sanitary science there was a saving from death of seven persons per each thousand living, or a total saving of 245,000 lives in each year for England and Wales.

Amid all the tumult, amid cries of anguish and defeat, amid thunderings of artillery, there stands on the European battle plains the man of science—a conqueror, undismayed, bringing life and healing to fields of death. He has cut our casualties in two. The bullet has always been a great enemy of human life and safety, and it has a brother in the bacillus; in fact, the bacillus has generally been considered a greater enemy than the bullet. Disease has been the soldier's deadliest foe. In the Crimea, 6,000 British, 80,000 French and 800,000 Russian soldiers died from fever. In 1870, in the Franco-Prussian war, for every 10 Germans killed, 15 died from disease. In 1877, in the Russo-Turkish war, for every 10 Russians who were killed, 27 died from disease. In Britain's campaign in Egypt, for 10 British soldiers killed, 42 died from disease. In the Spanish-American war at one time 20,000 Americans out of an army of 100,000 were ill from typhoid. In the Boer war, there were 60,000 typhoid cases in the British Army, with 8,000 deaths, and for every 7 soldiers killed by bullets, 10 were killed by disease. Disease, not cannon, has swept away the great armies of the past. For years we have had the power to banish half the disease of the world, but we let our power lie idle, and let people die. But war is a great master. It can nationalize railways in an afternoon. It can take over coal mines, close public houses, seize factories. It can take a useless citizen, put him in khaki and make a man of him. So science became clothed with the power of war. While men in the trenches were keeping the Germans back, men in the laboratories were keeping back that unseen enemy, disease. The British Army in South Africa was more severely smitten by invisible foes than by all they met in the open. But there was one wise nation, Japan. It remained for her to teach the Governments of Europe how to apply the knowledge they had given to the world. Japan went to war with science on her side, and for the first time bacilli were less deadly than bullets. There had never been a war with so little typhoid or so few deaths from wounds as the Japanese army which took part in the Russo-Japanese war. Sir Frederick Treves, who observed what happened on that occasion, declared that Russia had been beaten by an English Quaker named Lister. It had been demonstrated that medical science could save men by thousands and tens of thousands, and at last governments knew it. Admiralties and War Offices knew it; and so it comes about that, for the first time in the history of war, a British army has been equipped against its greatest foe. Science has armed it so effectively that with the greatest British army ever placed in the field, the cases of disease were even less than under conditions of peace. Science makes our soldiers typhoid proof, cholera proof, and tetanus proof. These three enemies are beaten for all time. Under former sanitary and health conditions, and with armies fighting amid the present surroundings, probably typhoid would have claimed 100,000 victims by this time. That it has not is one of the great victories of the war. When all is over, it will be seen that the merciful science developed by France and Britain has saved hundreds of thousands of the lives of the men who are giving their all to save to the world its civilization and its freedom. If we can conquer disease in war, we can overcome disease in peace; and the nations that have seen what science has wrought in France and in Flanders will be unwilling in years to come to let their people die when they might live. Canada will be one of those nations. These form a minor part of the story of the progress and accomplishments of medical science during recent years and indicate in some small measure what we may expect in the future.

Canada has only begun the business of nation-building, and at this period when the great European war has demonstrated most clearly the advantage of good health among our young men especially, it is opportune that this Parliament should become aroused to the need of devoting more attention to the health of our population, for it

is the physical, mental and moral quality of our people that will establish our position in the world. The future is before us; men of science have afforded us the means of avoiding the errors of the United States and European countries. If we do not build up in this Canada of ours a nation which will surpass physically all others of past history, it will be because of the incapacity and the indifference of the public men of the present day.

Public health is a great social and economic question, one of the most important that any nation has to face at the present day. First, there is the matter of feeble-mindedness, so closely associated with immigration which is directly under the control of the Federal Government. At the close of the present war there will undoubtedly be a very large influx of immigrants both from Europe and the United States. It is estimated that in Great Britain there are about three hundred thousand feeble-minded. In the United States there are an equal number, rapidly increasing. It is most important, therefore, that the greatest care should be taken in the inspection of our immigrants, as the above figures indicate a fruitful source of supply of mental defectives. It is open to doubt whether our present methods of inspection are all that are required. It seems to me that none but trained experts, qualified for the detection of mental as well as physical ailments, should be in charge of this work.

In 1914-15, 59 immigrants were rejected on account of imbecility, insanity, and mental defect, but in the same year 154 were deported for similar causes; while in the last three years 606 deportations have been made for these causes. Doubtless many of those deported were the offspring of parents whose history, if inquired into in their home lands, would have prevented the immigration to Canada of those deported persons.

To show the prevalence of feeble-mindedness in our country, let me quote the results obtained at a special clinic for feeble-minded, conducted by the Toronto General Hospital for twelve months from July 1, 1914, to July 1, 1915. During that time there were discovered 425 feeble-minded persons, of whom 203 were Canadian born and 222 foreign born, showing again that considerable numbers of feeble-minded are gaining admission to our country.

Recently a carefully-conducted examination of 2,064 children in four schools in Toronto by a specialist from the feeble-minded clinic of the Toronto General Hospital showed almost four per cent to be feeble-minded. We have no statistics to show how many mental defectives we have in this country, but it undoubtedly numbers thousands. Someone has said that the greatest menace to race regeneration to-day is our ever-increasing population of inefficient and feble-minded. Our first duty is to strengthen the inspection of immigrants. A feeble-minded immigrant may in one or two generations cost the state thousands of dollars annually. Let us in this country not repeat the mistakes of the United States, where the care of the insane per annum is costing thirty-two million dollars.

To emphasize the danger to Canada, look at New York State where the authorities have given the subject more attention than in any other part of America. There are in that state 32,000 feeble-minded in a population of 10,000,000. Of these only 4,900 are cared for. Of the balance, 7,000 are girls and women of child-bearing age, and they are producing children at nearly twice the rate of normal women. A very large percentage of these children will inherit the mental weakness of their mothers and go on adding to the already tremendous burden of providing for the mentally deficient of the state. Let Canada wake up to the threatening danger in this regard; let us profit by the warning given us by New York State.

Infant mortality is another subject which is becoming a great national problem. Our present knowledge of infant life, and the measures taken for the prevention of deaths among infants, guarantee that about 47 per cent of those dying under one year of age could be saved, and that 67 per cent of all diseases that afflict children under five years of age are preventable.

John Burns says: "We are beginning to concentrate on the child." Why should the state spend so much on inducing immigrants to come to our land, and so little in attempts to save our own native born children? Infant sickness and mortality is one of the greatest preventable wastes of to-day. We have in Canada no statistics regarding the economic loss to the nation through sickness of the people but figures from the United States will suggest to us something of our loss.

There are no complete vital statistics collected for the Dominion, the registration of births, marriages and deaths being under provincial control. New Brunswick collects none, and there is no uniform system in the other provinces in the method of collection.

Returns available for 1911.

Province.	Births.	Rate per 1,000.	Deaths.	Rate per 1,000.
Alberta	8,813	23·52	3,618	9·69
British Columbia.	5,841	14·88	3,660	9·32
Manitoba	15,918	34·93	5,481	12·03
Nova Scotia	12,322	25·03	8,237	16·73
Ontario	57,235	22·68	34,341	13·61
Prince Edward Island	1,497	15·97	1,114	11·88
Quebec	74,475	37·18	34,904	17·92
Saskatchewan.	8,745	17·76	2,727	5·54
Yukon	48	5·64	87	10·22
	184,894		94,169	

Total births, 225,000, estimated.
Deaths under 1 year, 26,325—117·7 per 1,000 births.
Could be saved, 12,361—47 per cent of deaths.

We have in Canada no statistics whatever. Even our efficient Department of Labour has not collected statistics along this line showing the great economic loss to the nation from the sickness of our people; but I may be permitted to use some figures from the United States which will suggest to us something of our loss. Dr. Irving Fisher, in his report on "National Vitality," estimates the total financial burdens placed upon the people of the United States from sickness, including loss of wages, at two billion dollars per year. The average cost per family is $110, including loss of wages. Three million are sick at one time and the Bureau of Labour estimates that about 25 per cent of heads of families are idle three weeks or more each year from sickness among working men. The largest burden falls upon the poor and middle classes. Sickness therefore becomes a very important cause of distress and poverty. Sydney and Beatrice Webb say in their book, "Prevention of Destitution":

> We are apt to forget that in all countries in all ages it is sickness to which the greatest bulk of destitution is immediately due.

Dr. Edward T. Devine in "Misery and its Causes" says:

> Ill health is perhaps the most constant of the attendants of poverty. It has been customary to say that 25 per cent of the distress common to charitable societies is caused by sickness.

Prof. Lloyd, of the Department of Economics, Toronto University, says:

> Among the social causes of poverty none is of more importance than preventable sickness.

Many countries recognize these facts and by legislation have attempted to alleviate the conditions. Sickness insurance in some form or other has been adopted by every European nation except Roumania and Serbia. Lloyd George's Insurance Act of 1911 is a plan for handling much of the social problems of sickness. The social consequences of sickness must be considered. Disease produces poverty and destitution. Destitution and poverty lead to disease. So it goes in a circle.

The Commission on Industrial Relations, created by the United States Congress to inquire into the causes of the unrest that is shaking the country, have recently made their report. The minority report contains the following:

> Each of the thirty odd million wage earners in the United States loses an average of nine days a year through sickness, a money loss of $680,000,000. Great attention is given to accident prevention, yet accidents cause only one-seventh as much destitution as does sickness, and one-fifteenth as much as does unemployment. Unemployment is largely due to sickness and sickness in time follows unemployment. Thirty to forty per cent of cases requiring charitable relief are immediately due to sickness. The report advocates a good system of sick insurance, the fund to be created by joint contributions in this proportion; workers fifty per cent, employers forty per cent, Government ten per cent.

That is the report of an efficient and well-organized commission appointed by the Congress of the United States, and I think we can accept its statements as being accurate. I wish to give to the House the opinion of one of the greatest men that the world has produced—Pasteur. The Pasteur Institute in Paris was built as a memorial to the effective work which he had done along scientific lines. At the inauguration of the Institute he made use of the following language:

> Two opposing laws seem to me now in contest. The one, a law of blood and death opening out each day new modes of destruction, forces nations to be always ready for the battle. The other is a law of peace, work and health, whose only aim is to deliver man from the calamities that beset him. The one seeks violent contests, the other relief of mankind. The one places a single life above all victories, the other sacrifices hundreds of thousands of lives to the ambition of an individual. The law of which we are the instruments strives even through the carnage to cure the wounds due to the law of war. Treatment by our antiseptic methods may preserve the lives of thousands of soldiers. Which of these two laws will prevail. God only knows. But of this we may be sure, that science, in obeying the law of humanity, will always labour to enlarge the frontiers of life.

Reading these words to-day we could almost imagine them to have been uttered within the last year. Instead of that they were spoken in the year 1888. While the older countries are attempting to find a remedy which at best can be only partial, young Canada should face the problem which in this country is not yet very seri-

ous, by taking steps to prevent the cause—disease. Herbert Spencer says:

> To be a good animal is the first requisite to success in life. To be a nation of good animals is the first condition of national prosperity.

So efficiency of the individual and efficiency of the nation are dependent on the physical well being of our people. For years the industrial system of the world bent its energy to the efficiency of the individual corporation. Then we passed into a period when an attempt was made to increase profits and efficiency by amalgamation of corporations. To-day we are entering upon an era when the corporation, and the industrial and the commercial world, are beginning to realize that efficiency in its truest sense must begin with the conservation of the health and strength of the individual, and they are placing a higher estimate upon the value of the human machine, realizing that a man is greater than a mill, the producer more important than the product, and that what reduces the value of the man will lessen the value of the machinery. Sickness means lessened efficiency of the workmen, lessened efficiency means reduced income, and this is followed by losses in the home and privations to the family.

Dr. Harrington, of Boston, in his book, "Prevention of Disease vs. Cost of Living," says:

> The extent to which health may be conserved and the number of accidents and deaths that can be prevented to-day seems incredible. Testimony of all those qualified to judge agrees that on a very conservative estimate 42·3 per cent of the deaths each year might be postponed; that at least 50 per cent of all cases of serious illness are preventable; that the average of human life can be prolonged 12·3 years; that in Massachusetts 4 per cent of the people are sick all the time, a per capita loss of $15 per year or total loss of 50 million dollars from sickness and death preventable. This does not include 12·3 years of added age possible.

One of the most valuable assets of our nation is the vital efficiency of Canada's citizens. As efficiency largely depends on good health, therefore it becomes the urgent duty of our Government to give all reasonable aid within its power to preserve the health of our people. Dr. Osler has truly said: "What is required next to popular education is education not in disease but in health." From all parts of our country, from sanitaria, from educationists, from medical men, from insurance companies, from the public press and from all classes comes the cry, "Educate us regarding health." Commerce calls for it. The first health boards ever formed were established in the interests of trade and to-day all over the world commerce demands proper sanitation.

Canada, a new country, has a brilliant opportunity. Entering as we are upon a new period of re-organization and re-construction, we should estimate at its true value national efficiency. It may reasonably be asked, what can Canada do? We are spending hundreds of millions and properly so to defend ourselves from enemies that are without. Surely it is proper also to do our utmost to protect ourselves from those enemies that are within. Canada has two illustrious examples, either one of which she could follow with great profit to herself. She has the example of France in the inauguration and establishment of the Pasteur Institute, one of the greatest in the world, which deals not only with the health of the people, but with many other matters relating to the national prosperity and the welfare of the people of France. Or Canada may follow the example of the National Public Health service of the United States, which has become one of the most effective health services in the world. If Canada would organize her health department along the lines of either one of these it would remain then only for the imagination and the ingenuity of the men in charge of such a service to see how great the work accomplished by that department should be.

Mr. CARROLL: Do I understand the hon. member to say that the United States has a Federal department of health in addition to the state departments?

Mr. STEELE: The United States have a most efficient service—a federal public health service which is under the control of the Federal Government. It was found by the United States that the state boards of health did not meet the full requirements of the nation along these lines.

Let me quote an extract from a book entitled "Health and Disease," written by Dr. W. L. McKenzie, a member of the Local Board of Scotland, in which he says:

> It is our duty to prevent death.

That seems like a strong statement, but perhaps it expresses the idea more clearly and succinctly than any other statement could.

> It is our duty to prevent death. Out of the effort to keep alive those that would die of preventable diseases, the vast health service has grown. Of what diseases do we die? Of

what diseases must we die? These it is our duty to answer. Until the secret of physical persistence is revealed, it is ours to reduce the agencies of death to those few that men must face and accept; to create, if it be possible new channels for human energy, that the waste of living may fall to its least, and the wealth of living—in breadth, in depth, in intensity—may increase to the uttermost. Our service meets heroic obligations. In despair it is not desperate. As the physician never abandons the bedside until the breath ceases and the pulse fades into rest and the limbs lie without will and the eyes change their lustre and there is no more man, so the service of health watches the birth, the adolesence, the full tide, and the ebb of the social life. Never at any period is the task abated. It is the form the service of man takes equally in the day of his strength and in the last phases of his decrepitude.

The story of public health administration lays bare the nerve of social health, the minimum conditions of individual growth, the contrast between the listless neglect of 50 years ago and the skilled services of to-day. Surely the service of man owns no higher, no more honourable minister than him whose mission it is to cleanse, to purify, to sweeten the bright air, to shine the light into dark places, to fill with the joy of living the highways and byways, the alleys and the lanes, the courts and the wynds and the reeking cloisters of the social under world. For in that dimland the primary ritual of nature has passed from the memory; misery and filth clog the spontaneity of life and overload the will; there is nothing but torpor and hunger and the melancholy vices of personal degeneracy.

So I say, with all these considerations before us, it is the urgent duty of the House to at once take steps to organize, for the benefit of the people of this country, a department of public health. That does not necessarily mean the appointment of another minister, or of another whole department, but it does mean that all such matters shall be placed under the control of one head who is qualified to deal with them, and who will see that there are taken, on behalf of the people of this country, all those steps that are necessary and that will be useful for the conservation of the physical welfare of the people of our land. The prevention of disease may well be the crowning glory of Canada's civilization. It lies within our power. And if this work is to be assured of continued efficient management, it must be conducted by a thoroughly efficient organization.

In conclusion, let me quote a few words from the great Disraeli on this matter. He said:

> Public health is the foundation on which reposes the happiness of the people and the power of a country. The care of the public health is the first duty of a statesman.

I wish to move the adoption of this resolution.

[Mr. Steele.]

Hon. J. D. HAZEN (Acting Minister of Agriculture): Mr. Speaker, the hon. member for South Perth (Mr. Steele) should be congratulated on having brought before this House a subject of very great interest, and he is to be congratulated, also, on the well considered and admirable speech in which he has moved his resolution, a speech that, I am sure, will receive most favourable comment throughout the country, and be of great value in the consideration of this matter. I am sorry that the Minister of Agriculture, within whose department this matter more especially falls, is not able to be present to-day, and, in common with the other members of the House, I more regret the circumstances which make his presence here impossible on this occasion, because the Minister of Agriculture has given a great deal of thought and careful consideration to this very important subject. If he were present I know he would be able to make an address to the House that would be interesting and illuminating, and that would give far more information than it is possible for me, temporarily filling his position—as I hope for a very short time only—to do.

The hon. member for South Perth has referred to certain constitutional questions involved in this subject. I do not think there is any constitutional objection to a department of public health being established by the Dominion Government, either as a separate department or as a branch of one of the departments that at present exist, because, from Confederation down to the present hour, the Parliament of Canada and the Government of Canada have been giving consideration, and have been dealing with questions affecting public health. I think it may be fairly said, speaking from a constitutional standpoint, that while there are certain matters in public health, such as quarantines, sick mariners, etc., that come exclusively within the jurisdiction of the Federal Parliament, there are many other matters connected with public health over which the Federal Parliament and the provincial parliaments exercise a joint control. The provincial legislatures, for many years past, have been dealing with this subject by law, in practically every province of Canada. Boards of health, provincial and municipal, have been established, and those boards of health have applied themselves, with very excellent results, to the task of improving the sanitary conditions of their communities, and of handling all epidemics of contagious

diseases, such as small-pox, that have arisen from time to time. They have dealt with these matters themselves and have borne the expense of them, and these Acts have been administered by officials appointed under Acts passed by the provincial legislatures.

In addition to that, the provinces of late years have been giving very considerable attention to the question of the prevention of the great white plague, tuberculosis, and in different provinces throughout Canada we find established sanatoria where those who are affected with tuberculosis in its incipient stage can receive treatment, and institutions for those who have passed the incipient stage are being established now in different parts of Canada under legislation passed by the provincial legislatures. In my own province of New Brunswick, a splendid establishment for the cure of incipient cases of tuberculosis is to be found at River Glade, in the county of Westmorland. This institution was established through the generosity of the widow of Mr. Eben Jordan, of the firm of Jordan, Marsh & Company, of Boston, and it is administered by a commission appointed under an Act passed by the legislature of New Brunswick; Mrs. Jordan being a most valued member of that commission. In the city of St. John, the municipal authorities have erected an institution for the treatment and possible cure of cases of tuberculosis arising within the city and county of St. John. That institution is carried on under provincial legislation which provides that the province shall pay a per capita allowance for each patient who is in that sanatorium or in sanatoria of a similar character that may be established in different municipalities throughout the province. Similar legislation is to be found in almost all the other provinces.

There is no constitutional objection to the establishment of a department of public health, but the question will arise, if such a department should be established, with what subjects connected with public health that department should deal, so that it will not intrench upon what, by practice, has fallen under the jurisdiction of the different provinces, and before any such health department is established, it would be most desirable to consult the different Provincial Governments so that no action may be taken that would be regarded as tresspassing upon the jurisdiction of the provinces, and upon the work which they feel it is their duty to undertake. As the constitutional question involves considerable interest, I have prepared a statement dealing with what this Dominion has done since Confederation with regard to matters of public health. I find that by chapter 67 of the Revised Statutes of Canada, which created the Department of Agriculture in 1868, immediately after Confederation, the subjects of public health and quarantine were placed under its administration. It is laid down in chapter 74 of the Revised Statutes of Canada that the administration of quarantine pertains solely to the Dominion Government, so that the precedents established under the British North America Act would lead us to the conclusion that there are certain subjects relating to public health that come exclusively within the jurisdiction of the Dominion, and that there are others as to which there is equal control by the Dominion and by the provinces.

Until 1872 the Quarantine Act contained provisions charging the Department of Agriculture with the administration of public health, there having been under that department a public health medical board, of which the late Dr. Taché, Deputy Minister of Agriculture, was the secretary. In 1872, however, the then Minister of Agriculture, the late Hon. J. H. Pope, advised the elimination of the public health clauses from the Quarantine Act, because he found that heavy accounts for public health service were presented to him for payment by the provinces while he had no control of appointment or in the direction of the service, which had gradually become provincial. The then premier, Sir John A. Macdonald, concurred in this view, and the Quarantine Act was amended by the elimination of the directory administrative clauses pertaining to public health. The Government of Mr. Mackenzie, which succeeded to office (in 1873) strictly carried out this policy, and did away with the health statistical office at Halifax, which had been retained by the previous Government.

In 1878, on the return of the ministry of Sir John A. Macdonald to power, Mr. Pope again becoming Minister of Agriculture, on the very earnest representation of Dr. Taché, the subject of leprosy within the Dominion—which belongs to public health and to which Dr. Taché had devoted special study on a reference from the Imperial authorities—was again taken over as part of the administration of the department. For many years there has existed in the county of Gloucester in the province of New Bruns-

wick, and, I believe, to a slight extent in some portions of Nova Scotia, the disease of leprosy, and before Confederation the province of New Brunswick maintained at Tracadie in the county of Gloucester a lazaretto, all the expenses of which were paid by the province. That continued for a short period after Confederation, and then the expenses were borne by the Dominion Government; I believe that the lazaretto was again taken over by the province, but, in 1878, I find that an arrangement was made with the province of New Brunswick by which the lazaretto at Tracadie was transferred to the Dominion Government, and it has since been administered through the Department of Agriculture. That lazaretto, I may say, has done very excellent work; it has been well managed and well maintained, and the disease with which it is especially intended to cope is gradually though slowly being eradicated. In addition to this, the Dominion Government from time to time has taken action in isolated cases of leprosy reported within the Dominion and, in late years, more particularly amongst the Chinese in the province of British Columbia.

Under the Canada Shipping Act the care of sick sailors pertains strictly to the subject of public health, and was formerly under the administration of the Department of Agriculture. It is now administered, as hon. gentlemen know, by the Department of Marine and Fisheries, to which it was transferred in virtue of an understanding between the then ministers of the respective departments, the Hon. Mr. Pope and the late Hon. Peter Mitchell. It may further be stated that the practice of the Dominion Government since Confederation has been to take votes for both public health and quarantine.

To sum up, I may say that the administration in all matters pertaining to quarantine, that is the dealing with any infectious disease on its presenting itself at any of the ports of the Dominion, maritime or inland, is vested solely in the Dominion Government; while it is contended that all other matters pertaining to public health are joint between the Dominion and the provinces, in virtue of the provisions of the British North America Act.

There is a Dominion Public Works Health Act, under which sanitary arrangements and matters of that sort in connection with the construction of public works are attended to throughout Canada by the Department of Agriculture.

Having said that much in a general way with regard to the powers of the provinces and of the Dominion with respect to this very important subject, brought to the attention of the House by the hon. member for South Perth (Mr. Steele) I may say that we are all aware that the question of public health is daily assuming greater importance in this country. It has become a distinct subject and branch of study in medical universities throughout the land, and to such an extent is this the case, and it is so recognized as a distinct branch of medical science, that special degrees in public health, for which being now looked universities, including, I believe, the University of McGill, and men who have graduated in public health from these institutions are in some cases acting as health officers in different cities of Canada, having been appointed to such positions by virtue of legislation passed by the Provincial Legislatures.

The subject is considered to be of so much importance that the man with the ordinary diploma of M.D. from any university is not regarded as being qualified to deal with the question of public health for which being now looked upon as a special branch of science special degrees are conferred after courses of study.

The progress of hygiene and preventive medicine known under the name of "Public Health" has been rapid and marked, especially during the last few years, and there has undoubtedly been an increasing demand for governmental regulation. In the United States the marine hospital service has been by Act of Congress enlarged into a public health service. There are already departments of public health, I am informed, in some of the sister colonies. There has been discussion about the matter in England, but I do not think the movement for the appointment of a Minister of Public Health, which was very active a few years ago, has been discussed recently, all other subjects, of course, having been made secondary to the problem of the war. The medical profession of Canada speaking through the Canadian Medical Association, has urged the importance of the establishment of a Department of Public Health. The object of the creation of such a department by the Dominion Government, having in view all the subjects related to the public health with which the Government deals at the present time, would, it seems to me, be to consolidate with a view to efficiency and economy in those matters concerning public health and sanitation which are already within the jurisdiction

of the Government, but which are now scattered among the different departments. The question of adding to the duties of a department of public health other matters such as now fall within the control of provincial legislatures, and to which they have been industriously and energetically in many cases giving their attention for years past, will have to be considered carefully, and there would have to be conferences on the subject between the Dominion and the provinces. The establishment of such a department, it is contended, would obviate the confusion and extra correspondence often caused by the want of knowledge of the jurisdiction of the Minister of Agriculture in public health matters, and would facilitate the business of those who come to the capital in connection with the various sanitary matters now divided up amongst the different offices of the Government, many of them under the direction of non-medical heads, who have little knowledge of medical or sanitary science. That would be a matter of internal domestic consolidation within the Dominion Government itself. It would be a governmental recognition of the importance of public health, and of the authority of such a department to issue rules and regulations on the subject. The experience of the Department of Agriculture, I am informed by its permanent officials, as well as the example of other countries, leads them to believe that such publication so issued would carry much more weight than similar publications issued in the name of any other department.

It may surprise the House to know how many matters affecting public health are dealt with by this Government at the present time. These subjects are now scattered over several departments, without co-ordination or homogeneous supervision, and might well be grouped together in a department of public health:

In the Department of Agriculture:

1. Sanitary advice to Dominion Government.
2. Quarantine (maritime and frontier.)
3. Leprosy throughout the Dominion.
4. Public Works Health Act.
5. The sanitary part of the census.
6. Vital statistics (Dominion).
7. Health of animals.
8. Inspection of meats and canneries, and factories of foods generally.

In the Department of Inland Revenue:

9. Adulteration of foods and drugs.

In the Department of the Interior:

10. The sanitary and medical side of immigration affairs.
11. The sanitary and medical side of Indian affairs.

In the Department of Marine and Fisheries:

12. Sick seamen and marine hospitals.

Also

13. Supervision of sanitary measures and sanitary police in the Territories which have no organization corresponding to a Provincial Board of Health.
14. National bacteriological laboratory.

A department of public health could be equipped with a national bacteriological laboratory, as is the case in other countries. Such a laboratory could report promptly on suspected specimens of micro-organisms from vessels, trains, etc., held under quarantine of observation. The quality and purity of the various protective and curative agents, such as vaccine, tuberculine, Haffkine's prophylactic plague fluid, and the anti-toxins and serums of plague, cholera, diphtheria, typhoid, anthrax, etc., are of the utmost importance to the public health and to the well being of the country. It is suggested that the manufacture of these protective and curative agents might be carried on by salaried officials in the national laboratory, and the issue of them could be under the supervision and direction of the proposed public health department. In this way, it is claimed, the maximum protection of the people of Canada in this matter can alone be attained and that confidence secured which will induce the people to properly avail themselves of these all-important means of protection from epidemic and infectious disease. It is also contended that in such a national laboratory here might well be bacteriologists and chemists engaged in original research. This country would thus rise above the position of hanging on to the skirts of other nations and waiting to hear from them of the progress made in these important lines of science. Other people have suggested additional subjects that might be included if a department of public health is esablished. After conferences with the various provinces, the following might be included:

15. Sanitary direction of the service of protection of international waterways—a most important subject.
16. Sanitary supervision of the protection of the public health against tuberculosis, a subject that is being dealt with on a large scale by several of the provinces.
17. Smallpox and vaccination.

That, I understand, is already dealt with

by the Dominion Government. In case of a smallpox epidemic along the border, the Dominion Government takes means to see to it that the people are vaccinated and the spread of the disease prevented while the local authorities take steps to quarantine the disease in the different cities and towns and to isolate people who have contracted the disease.

18. Railroad, car and steamboat sanitation, a most important matter—to see to the disinfection of cars, and public conveyances, in order to assure the exclusion of malignant microbes so that disease may not be spread by those who travel.

There is already an official of the Government known as the Director General of Public Health and Sanitary Adviser of the Dominion Government, with the rank of deputy minister. But, up to the present, the matters I have enumerated have been left scattered through the different departments and not collected under the control of a specially qualified officer. I presume that their union, co-ordination and development would naturally follow the creation of such a department.

As I said at the outset, I regret that the Minister of Agriculture (Mr. Burrell) is not here, because I know that in the last few years he has given a great deal of thought and study to this very important subject. My hon. friend from South Perth (Mr. Steele) has undoubtedly accomplished a good work in bringing this matter to the attention of the House. It will no doubt attract attention throughout the country, and will cause the public to give consideration to this important matter. And, while, at the present moment, our thoughts are taken up with the war now being waged, and upon which our liberties and the institutions of our country depend, to the exclusion of practically every other subject, yet I think that all will agree that the time occupied by the House this afternoon in a discussion of this matter, so well brought to our attention by the hon. member for South Perth, is time not wasted. I would suggest to my hon. friend that it would not be desirable to cause the resolution to be pressed to a vote this afternoon. I can assure him that the matter will receive, as it has received, the best thought and attention of the Government. I am sure that when the Minister of Agriculture is once more restored to health and able to deal with the work of his department he will be only too glad to pursue the study which he has been giving to this matter, that in future it may receive the consideration, and I trust the action, that its importance deserves.

[Mr. Hazen.]

Mr. ALFRED THOMPSON (Yukon): This, in my judgment, is one of the most important questions to come under the consideration of this House, and I regret that I did not know that the motion was to be up for discussion this afternoon. The Minister of Agriculture (Mr. Burrell) who has charge of the department under which this arises, and who has given the subject special consideration, is not here, and for that reason, and because I know that, besides myself, there are a number of medical men, members of the House, who would like to present some observations on this interesting subject, I move the adjournment of the debate.

5 o'clock.

Motion agreed to and debate adjourned.

FRENCH CANADIANS IN THE CIVIL SERVICE OF CANADA.

Mr. BOULAY (Rimouski): (Translation) moved,

That, in the opinion of this House, Canadians of the French language should hold positions in the employ of the Intercolonial Railway, and in the public service of Canada, in proportion to their number in the country; and that it is urgent and in the public interest that all civil servants holding higher offices, and drawing salaries of $2,000 and over, should understand the two official languages of this country, and that no official in the said service should be admitted into the Civil Service in future unless he can fulfil such conditions.

He said: (Translation). Mr. Speaker, There are two distinct parts to this motion; the first refers to the employees on the Intercolonial railway, the other one states that the higher officials in the Civil Service, those belonging to Class A and first subdivision A of Class B, should speak the two official languages of this country.

As to the first part, namely, that concerning the Intercolonial, I have many times in past years, drawn the attention of the House to the injustice done the French-Canadians and French-Acadians, who are not treated as their number would warrant. That state of things has been in existence for the last forty-four years.

French speaking Canadians seem to have been completely ignored, or nearly so, on the whole system of the Intercolonial.

Notwithstanding repeated requests on my part and numerous articles in French publications we have always met with difficulties that should not exist, especially when the facts are called to the attention of the authorities.

Last fall, Le Progres du Golfe had an article, dealing partly with our grievances, which I intend reading, so that it may be of record in Hansard. It read as follows:

French Canadians and the Intercolonial.

Some newspapers published in English complain that French Canadians are not enlisting at a sufficient rate in the ranks of those who are going to the battlefield of Europe to be scorched alive.

The charge is groundless. If only the proportion were properly computed, it would be seen that the native English Canadians who have enlisted are not more numerous than the French-Canadians. It must be kept in mind that a large number of English recruits come to Canada to enlist, likely to obtain a higher salary, but they are Englishmen and not Canadians, as may be seen by the daily newspaper bulletins.

If the English-Canadians received the same treatment as French-Canadians in Canada's Civil Service they would be less anxious than ourselves to rally to the colours. In fact, were we not moved by our feelings of sympathy for blood-bespattered Belgium, were we not connected with France by the sacred ties of blood, were not with Great Britain, which has always treated us in all fairness, entitled to our gratitude, and were we to consider solely the treatment meted out to us by the English speaking population in Canada, not one French-Canadian should be found at the front.

Why? We are systematically debarred from every public employ; we are treated as outcasts and slaves, all the best-paying offices in the country are closed to us, there being nothing left for the French-Canadian but the small salaries and the positions as snow-shovellers and messengers; how may we in return be anxious to get killed at the bid of those gentlemen who flay us alive?

Our national pride, inherited of old from France, revolts every day against the injustices we are made to suffer. And why protest? Our English-speaking fellow-citizens are in resolve bound to allow to French-Canadians a bare twentieth part of what they are entitled to. That crying injustice has been in existence of old; it is continued from decade to decade, and the present generation of Englishmen is nothing loath to take our places and crush us under heel. Here and there, a sympathetic Englishman may be found whose feelings towards us are sincerely generous, but the number of such is so small that their voice is not listened to. I shall point out one case in a thousand that happened on the Intercolonial. The section from Mont-Joli to Campbellton is 105 miles in length, of which 92 miles run through the province of Quebec. All along the railway, the population is French-speaking. Although situated in the province of Quebec, not one of the superior officials of that section of the line speak a word of French. There is a superintendent, an assistant, a chief train despatcher, four other train despatches, a bridge foreman, four line foremen, a divisional engineer, all high-salaried officers, not a single one of whom is a French-Canadian. One of them has within the past two years learned to speak a little French, and the intention, it seems, is to put in his place an employee who cannot understand us.

Should men be wanted for some important work, French-Canadians are hired for the heavy work, but the foreman and even the time-keepers are always English-speaking who cannot understand the men. Even foremen are appointed of the stamp of a certain Bulmer who writes articles in the Orange Sentinel against our language and our faith.

During last fall, a vacancy occurred in the position of superintendent on the section from Moncton to Mont-Joli, when I saw that the illness of the superintendent was likely to prove fatal, I set to work to notify the railway authorities that in case of a vacancy caused by the expected death of Mr. Price, the French-speaking Canadians would ask the appointment of a French superintendent. That cannot be denied either by the Minister of Railways or by the general manager, because I took the trouble to interview those officers and explain to them the situation. Some of my friends also wrote more strongly in support of my request that justice be done to the French-Canadians.

The facts show that our efforts failed. Yet candidates for the vacancy were not wanting. I suggested a number of names, among others, that of a man who has been on the Intercolonial during thirty years of his life and who was dismissed for the bare reason that he was a Conservative. He was entitled, from all viewpoints, to the gratitude of his party, on account of both his personal qualifications and his services on the Intercolonial. His name is Rodolphe Blais.

I also suggested names of many others whose qualifications could not be impeached.

What was the result?—A man has been appointed by the name of Davenish, who hails from Ulster, and who has been a year or two on the Transcontinental and only one year in the offices of the Intercolonial at Moncton.

I felt sorry, lately, to hear the answer of the acting Minister of Railways (Mr. Reid) to the question asked by the hon. member for Bonaventure.

INTERCOLONIAL RAILWAY—CAMPBELLTON SUPERINTENDENT.

Mr. Marcil:

1. Who succeeded the late Mr. Price as Superintendent of the Intercolonial railway, at Campbellton?

2. Was the principle of promotion followed in the appointment?

3. Was the new appointee connected with the Intercolonial railway service?

Mr. Reid:

1. W. R. Devenish.

2. Yes.

3. Yes.

Peculiar promotion that, when the highest appointment on the Intercolonial goes to foreigners who know nothing of the railroad, the employees or the travelling public!

What? You call it a promotion when a man is appointed who has only one year's experience on the railway?

He was appointed over the heads of old employees, who, a great number of whom began as mere labourers at small salaries; and how many among them would be glad to earn those fat stipends paid by the railway to those foreign officials.

Instead of an attempt being made to encourage the employees who properly perform their duties, they are debarred from any promotion. One might think that they are expected to do the bare work that their salary pays for.

That particular state of things is not specially of this Government's doing, as I pointed out in another article published in Le Progrès du Golfe last November, but this treatment of the employees has been prevalent since 1896, at which time strangers were invited from all over, to take the place of those higher officers who were found to be too Conservative.

I claim that in all justice, such should not be the case, and that if it be a shame for common employer of labour to act thus unfairly, it is still more so for the Government, who ought to set the example of fair treatment and justice.

When the new superintendent was to be appointed, a few suggested for the vacancy the name of the member for Rimouski and Matane.

The Hon. the Minister of Railways quickly replied that the Government's policy was not to give appointments to members, and that moreover an officer in a position of such importance required in the interest of the public certain definite qualifications. I shall first state that I have never directly or indirectly sought the position, and had it been offered me, I should have refused it; and secondly I wish to tell the Hon. the Minister of Railways that I pretend to know as much as he about railway administration, since I have been connected with it almost all my life, by my intercourse both with the employees and the management.

Let us now revert to the reasons I gave at that time in support of my request for the appointment of a French-Canadian superintendent.

I first invoked the fact that for the last 44 years 92 miles of the Intercolonial, running in the province of Quebec, have always been annexed to the new Brunswick division going into Moncton; I also put forth the fact that the territory under the superintendent of that district was for the most part French-speaking, and in support of my contention, I shall give a statement of the population of the different counties bordering on or crossed by the Moncton-Mont-Joli division.

Population of the counties served by the Intercolonial Railway, within the jurisdiction of the superintendent of the Moncton-Mont-Joli division.

Statement by nationalities, taken from the 1911 Census, comprising the branch lines from Fredericton and from the Intercolonial.

	English-speaking.	French-speaking.
Westmorland	25,726	17,081
Kent	6,598	17,441
Northumberland	23,413	6,818
Gloucester	4,775	27,733
Restigouche	7,216	8,136
Bonaventure	7,316	20,050
Rimouski	1,118	50,075
	76,232	147,334

Those figures show a French majority of 71,102, if only the main line is taken into account. If the branch lines from Fredericton on the International are added, we have the following figures:—

Victoria and Madawaska	8,160	18,480
York	28,602	712
	36,762	19,192

The grand total of the population of the counties along the Intercolonial including the chief branch lines is then according to the 1911 census English-speaking 112,994, French-speaking 166,466, which means a French majority of 53,472.

In proportion to our numbers we are consequently entitled on the Moncton-Mont-Joli division and the above mentioned branch lines as regards the quota of employees included in the list just cited to 13 employees for every 10,000 inhabitants, that is to 208 French-speaking employees as against 142 English-speaking. The count is therefore short by 136 French-speaking employees as will be seen by the following list:

	English.	French.
Officers of the superintendent at Campbellton	50	5
Workshops at Campbellton	52	7
Workshops at Gibson, N.B.	25	0
Workshops at Newcastle	18	0
Station employees, Moncton-Mont-Joli division, main line from Moncton to Flatlands	71	11
From Matapédia to Mont-Joli	0	27
Section men, North division - No. 2, from Campbellton to Newcastle	20	8
Section men from Newcastle to Moncton, foreman	27	1
Section men from Mont-Joli to Campbellton	7	13
Total	270	72

Even in Montreal we do not get our proper share. In a city where the population is three-quarters French, there are several men employed who are ignorant of French, as follows: —

	English.	French.
Asst. traffic manager, Montreal	27	14
Office Montreal-Mont-Joli section	16	37

So that including the branch line from Fredericton and from the International, there is still to be found a French majority of 58,472 out of a total of 279,510, within the teritory under the Moncton-Mont-Joli superintendent. That shows a strong proportion in favour of the French-speaking element, and is another proof that we are right in asking that the number of such employees be increased and made proportionate to the number of our population.

I must also add that those employees that come from New Brunswick or elsewhere, who had no experience on the road are responsible, especially in the Quebec section of the line, for a large number of grievances, accidents, and discontent among the employees and the whole public, and for much delay in the running of trains.

It often happens that trains are sidetracked for two or three hours to give the right of way to other trains, and for no other reason except that the train despatchers know nothing of the railroad and its slopes.

Those train despatchers have always been strangers. Not a single French-Canadian from the province of Quebec or the Maritime Provinces ever could obtain a position in the office at Campbellton.

Only lately I called the general superintendent's attention to the fact. And though Mr. McNeillie is himself a stranger from the Pacific coast, he was struck by the reasonableness of my stand in the matter.

Nor are we any better in the distribution of the public positions at the Moncton headquarters, and as regards the appointment of divisional superintendents.

A glance at the list of employees in those offices will show the situation:

Names and salaries of the office heads at Moncton.	
MM. Gutelius	$ 20,000
Brady	7,250
Brown	6,000
Whelply	1,800
Paver	2,280
Burpee	4,000
Hayes	10,000
Allen	15,000
Joggins	4,500
McKenzie	1,800
Dustan	1,680
Barnes	1,920
MM. Logan	$ 1,400
Melancon	3,000
Rippy	2,100
Alward	4,000
Shannon	5,000
Burns	2,400
Estano	2,400
Clock	2,400
Avard	1,680
Walker	2,100
Simpson	2,100
McDonald	1,800
Appleton	3,000
Taylor	2,100
Cameron	2,400

We have a total of $99,930, distributed among 27 men, of whom one only is a French-Canadian.

Those figures are taken from the report of the Auditor General, French translation, for the year ending March 31, 1914. Page W—198 and the following pages.

Mr. E. DEVLIN: Is that where Mr. J. B. T. Caron was employed?

Mr. BOULAY: Yes, out of a total of 27 men receiving the large salaries in the higher offices of the Intercolonial, there is only one French-Canadian. Why is that?

If you read down a little farther, or if you look at the list of French and English employees in the Maritime Provinces, you come to a state of things much to be criticised.

The French people of those provinces seem to have been completely ignored and debarred from the road, and the list of the employees in the Moncton offices furnishes ample proof of that fact.

It must be kept in mind that the Moncton offices are supposed to be for the service of people who do business directly with the Intercolonial or the provinces through which it runs, that is the province of Quebec and the three Maritime provinces. Comparing the French and English population of those provinces, 66 per cent will be found to be French-speaking as against 34 per cent English-speaking

We ought therefore to have, on the basis of population, 66 per cent of the employees French-speaking as against 34 per cent English-speaking. But what are the facts?

	English.	French.
General manager's office at Moncton	13	1
Office of the superintendent of car service	32	7
General superintendent's office	20	3
General solicitors and claims agents	7	3
Chief engineer and right-of-way and lease agent	87	12
Comptroller's office	15	4
Cashier's office	3	0
Auditors of disbursements	35	4

	English.	French.
Insurance and providence fund	30	3
Audit office	69	22
Engineer of maintenance	18	3
General tie and timber agent	20	0
General traffic manager's office	5	1
General freight agent	19	1
Assistant general freight agent	6	1
Weighing department	4	1
General passenger department	23	6
General baggage agent	3	0
Mechanical accountant's office	16	6
Superintendent of motive power	13	4
Fuel agent's office	16	2
General locomotive foreman	9	0
General car foremen	14	6
Chief draughtsmen	8	1
General master mechanics	13	0
Division master mechanics	14	6
Inspectors and foremen	36	2
General storekeepers' office	2	3
Moncton stores	17	5
Moncton issuers	30	42
(The above item comprises the messengers and all the labourers and storemen with aggregate salaries amounting to $31,411.30).		
Freight claims agent	20	6
Headquarters staff at Moncton	6	0
Montreal assistant general freight agency	27	14
Montreal-Mont-Joli division office	16	37
Total	686	206

Out of the total number of men employed at headquarters at Moncton, and who have to do with the four provinces, dealing directly with the Intercolonial, 66 per cent should be French-speaking as against 34 per cent English-speaking.

Thus, instead of 686 English-speaking and 206 French-speaking, as now is the case, we should have 590 French-speaking to 304 English-speaking, a difference of 384.

If we go on, again, and examine the list of the employees in the workshops in the various divisions in the Maritime Provinces, the situation disclosed is even worse. I shall give that list to prove what I say. As will be seen the number of watchmen, conductors, brakemen, engineers, firemen and temporary employees is not given, but I presume the same state of things is to be found.

	English.	French.
Halifax-St. John division, Moncton	10	1
Halifax-St. John division, Truro	31	1
Sydney and Oxford	43	0
Workshops at Campbellton, locomotives	61	6
" Gibson, locomotives	24	0
" Halifax, locomotives	57	0
" Halifax, cars	103	0
" Mulgrave	25	1
" Newcastle	18	0
Workshops at Pictou	21	0
" Stellarton, locomotives	46	2
" Stellarton, cars	23	2
Offices of the superintendent	50	5

	English.	French.
Salaries	$ 83,859 39	$ 2,665 12
Average	1,677 00	242 00

PRINCE EDWARD ISLAND RAILWAY.

	English.	French.
General offices	31	0
Workshops, locomotives	58	0
cars	31	0
Extra help	14	0
Machinists	48	2
Train conductors	17	0
Brakemen	45	1
Station employees	71	6
Total	315	9

There is then a deficiency in French-speaking employees appointed for this class of work on the Intercolonial, amounting, according to the public accounts of March 31, 1914, to the following figures:—

	Employees.
General offices at Moncton	523
Heads of department at Moncton	17
On the road and in offices outside Moncton	399
Total	939

In order that the French population should receive their due share of those positions, 939 persons must be appointed over the actual number which is 366 in the Maritime Provinces, leaving the Moncton-Mont-Joli division out of count.

In the latter division, we lack 136 employees out of a total of 304. There is, therefore, a shortage of French-Canadian employees on the Intercolonial amounting to 1,075, taking into account only those classes mentioned in this analysis, and leaving aside the classes already pointed out.

No doubt the statements I have put before the House will come as a surprise to many who had no inkling of the true state of things, and the question will be asked why have French-Canadians not insisted on having their deserts with the Intercolonial.

The answer is easily given. I shall first read the following letter which is nothing but a scrap of paper like all the replies we get from the heads of the various departments of the railway:

Canadian Government Railways.

E. P. Gutelius.

H. Boulay, Esq., M.P.,
Sayabec, P.Q.

Dear Mr. Boulay:

I am in receipt of your letter of December 31, enclosing one from S. Morissette, applying for a clerical position with these railways.

There is not a vacancy at present to which he could be appointed, but I am forwarding your letter with the request that this young man be borne in mind should any vacancy occur at either Campbellton or Lévis.

Yours very truly,

F. P. Gutelius.

Every time we seek to secure positions at Moncton for our young men, we receive in reply a letter similar to the one I have just read. If a few odd employees of French language are appointed, it is only for the general work of translation. Only last year, the Moncton staff in the civil engineer's office was cut down. Who were let off? French-Canadians.

We are also denied our due in other ways. French-Canadians, before securing employment, are required to pass examinations in English, either reading or writing; a thousand means are devised to get rid of them. If there happens to be a vacancy in the offices of the superintendent at Campbellton and if perchance a French-Canadian puts in his application, he is put at the foot of the ladder under English-speaking chiefs, who, of course, speak no French and try to make it as hard as they can to the French-Canadians.

As proof of that, I will refer to the cases of two men, Anctil and Bray, who were disciplined in an altogether different way. About the year 1905, a man by the name of Anctil, station agent at Petit Metis, Matane county was discharged for the only reason that he had sold tickets over the Quebec Central line instead of selling tickets to Montreal. You must keep in mind that the agent had still the right to sell those tickets, since they had not been taken from him. Anctil had been thirty-five years on the Intercolonial, he was a model employee, steady and who had not a black mark against his name. He was discharged during the previous administration, for no other reason than the one I mentioned.

In 1911, one of my first cares was to draw the Minister of Railway's attention to the case of Anctil so as to secure his reinstatement in order to allow him to take advantage of the law concerning the pensions of the Intercolonial employees. But my efforts were fruitless and Anctil remained out of employment and in very hard circumstances. Now comes as a contrast, the case of a man of Campbellton by the name of Bray. The latter had been on the railway about the same length of time. He was caught in a predicament a great deal worse than that of Anctil. Bray was found drunk by the higher officials of the road, and I believe the affair was known to the general superintendent himself. The thing happened at the funeral of Superintendent Price. Bray's case was an open violation of a regulation of the railroad. There is no excuse for a railwayman to get drunk either on or off duty. Yet Bray who is English-speaking, instead of being dismissed, was only transferred to another office and he is still in the railway's service, that being done, I am told, to permit of his taking advantage of the Pension Act.

I have no grudge against Bray; on the contrary I was glad to see him retain his position, and I should not complain if different standards were not used according as the men are French-speaking or English-speaking. In view of such gross injustice towards my compatriots, I felt in duty bound to reveal those facts before the House and the country.

An easy means may however be found to rectify the state of things complained of; it would be the appointment for the division of a French-Canadian superintendent and some French-speaking train despatchers.

I have no personal complaint to urge against Mr. Gutelius; all I have to say concerning him is that he is being paid an exorbitant salary, altogether out of proportion to the revenues of the Intercolonial and to-day, as I ever did, I claim, notwithstanding what my friends of the legal fraternity may say, that railway manager cannot earn a salary of $20,000.

In every other particular, Messrs, Gutelius and Hayes are perfect gentlemen absolutely qualified for a proper fulfilment of their duties and they show the people who have to do with them the utmost courtesy.

I trust that the few remarks I have made, will be endorsed by the other members of the province of Quebec and that those who are here to represent other provinces, will admit that I am justified.

If I have thus spoken it is not as a matter of enjoyment nor for the purpose of annoying anyone, but because I knew that I was voicing the general sentiment and the unanimous thought of the people of Quebec.

The second part of the resolution now before the House deals with the higher officials in the Civil Service at Ottawa, who are daily called on to meet citizens of Canada, either French-speaking or English-speaking.

I claim that the Civil Service regulations are most lax when they allow in the first division and in the second division, subdivision A, of the Civil Service, persons who do not understand the two official languages of the country.

All those employees are supposed to be men of especial ability, and to be paid by the country, according to their qualifications and their education. But, any among them who speak no other lnaguage but English, are not in a position to properly perform their duties, when they are called on to meet citizens who speak French only or vice versa, supposing those higher officials were French-speaking and had, now and then, intercourse with English-speaking members of parliament or citizens. Those gentlemen have to travel throughout the country in the interest of their department, and, as for us, in the province of Quebec, we have to deplore the fact that those who are acquainted with nothing but English are of no practical benefit. Let us, as an instance, take the higher officials of the Agriculture Department. They have to impart their practical knowledge by means of lectures delivered, not only to the English population, but to the French people as well. I do not remember ever seeing them in the county of Rimouski, where, in any case, their presence would be of no practical avail, so far as their giving useful information, since they would not be understood by most of the farmers. That is altogether unfair to French-Canadians who speak no English, for they are called upon to pay their share of the salaries of those officials equally with the English-speaking farmers. I have no objection to the lower grade of civil servants speaking only the language they choose. But, as regards higher officers, I strongly insist on a complete reform being made. It is a common thing for some of us among the members to go into an office where in a staff of a dozen employees, none are found to understand our French. See what would happen to a farmer from Quebec who could not speak English. If at least the head of the department spoke French, we should at any rate get from him the information sought. Such a regulation would also result in all those who aim at the higher appointments having to study the two official languages, a boon indeed to both English-speaking and French-speaking people. It must be admitted that in England itself and even in Austria——

Mr. DEVLIN: (Translation.) Even in Japan.

Mr. BOULAY: (Translation.) Nobody claims to have any education if he cannot speak French in England, and yet there is but one official language, English.

[Mr. Boulay.]

If no French-Canadian can secure one of the higher appointments in the Civil Service at Ottawa, unless he be acquainted with English, why should not the same requirement be asked of English-speaking candidates?

The first question a French applicant for a position at Ottawa has to answer is: Do you know English? Why, even here, in the House of Commons, we are unfairly dealt with. There are twelve young pages, and only three of them speak French. In the office for the distribution of Hansard, although the officer has been changed three times since 1911, in each case the position went to a man who could not understand a word of French. And most of the employees of the House who are of English origin do not speak a word of French.

If my suggestion were put into practice, we should learn to know ourselves better, to appreciate one another better, and my remarks apply not only to the English provinces, but as well to what takes place in my own province.

I remember that in my young days, every one in my parish held everything English in high detestation. Brought up with that idea, we came to college strongly determined to speak nothing but French, and the teachers met with all kinds of difficulties, and generally failed to make us understand how important was to us a knowledge of English. Most of our educational institutions of the province of Quebec turn out graduates who can neither speak nor write English. Only later, when they have to do their share in the struggle for life, do they see the awful mistake they made in neglecting the study of such an important language.

It must be acknowledged that conditions even worse prevail in the English provinces, where I must say the French language is completely ignored. People have the idea that it will never be of any use to them. If students were made to see as they enter school, that in order to secure certain important positions in Canada or become somebody, they must learn the two official languages, I feel sure that, first of all, the teachers would find them less refractory to learning a second language, and secondly, the students themselves would later realize how beneficial it has become to them.

As a result of a general knowledge of both languages, we should become less averse to each other, because the fact stands that, in certain quarters, there are between the two races feelings of distrust

and aversion. I grant that a number of people are to be found, with a wider and more patriotic outlook, who are above those petty jealousies, and will readily give each one his due, whether French or English. But they do not form the bulk of our population. Let us get rid of our blinding fanaticism; let us study the two official languages of the country, and I feel sure that the first step will have been taken towards an era of peace and happiness, unprecedented in Canada.

When both languages become necessary in order to reach the most remunerative positions in the gift of the Government, the tyrannical legislation which seeks to bar French from the schools in the English provinces will gradually disappear, the present agitation will cease and there will come to exist the same conditions as prevail in Quebec: complete freedom in education for both races.

Let us also suppress papers such as The Sentinel, and put a stop to the furious attacks made against our faith and our language, and complete harmony will be restored among all classes of citizens.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

Mr. BOULAY: (Text.) Mr. Speaker, in order to explain further what I was saying at six o'clock in connection with Civil Service officers, it is fit, I think, I should give a list of some of the staffs. It shows that we are not dealt with fairly. Thus I see by the official Civil Service list for 1915, that the French-speaking employees are not even 30 per cent of what they should be according to population.

The Departments of the Civil Service of Canada.

	English.	French.
+Privy Council Office	21	2—1/10
+Office of the High Commissioner for Canada	7	—0
+Department of Justice—Inside service	27	7—1/5
Department of Justice—Inside service	16	7
+Department of Militia and Defence—Inside service	113	18—1/6
Department of Militia and Defence—Outside service	2	5
+Department of External Affairs—Inside service	15	2—1/7
Department of External Affairs—Outside service	4	6——
+Department of the Interior	825	138—1/6
+Department of Mines	160	22—1/7
+Royal Northwest Mounted Police Force	58	3—1/19
+Office of the Auditor General	91	2—1/46
—Department of Finance—Outside service	122	
+Department of Finance—Inside service	18	—0
+Department of Trade and Commerce—Inside service	60	11—1/5
—Department of Trade and Commerce—Outside service	146	11
—Department of Trade and Commerce—Outside service	10	1
+Commission of Conseravtion	22	1—1/22
Department of Inland Revenue—Outside service	408	108—1/4
+Department og Customs—Inside service	196	34—1/6
Department of Customs—Outside service, Nova Scotia	272	14
Department of Customs—Outside service—		
Prince Edward Island	28	1
+ New Brunswick	134	8
+ Quebec	307	273
Ontario	764	40
Manitoba	181	3
Saskatchewan	58	
Alberta	119	2
British Columbia	262	4
Department of Customs	148	7
+Department of Labour	35	3—1/11
+Department of Agriculture—Inside service	266	38 1/7
—Department of Agriculture—Outside service	335	40
—Department of Marine and Fisheries—Inside service	101	32
Department of Marine and Fisheries—Outside service	107	11
Department of the Naval Service—Inside service	83	22
Department of the Naval Service—Outside service	59	6
+Department of Railways and Canals—Inside service	98	2—1/10
Department of Railways and Canals—Outside service	20	3
+Department of Indian Affairs —Inside service	74	4—1/18
—Department of Indian Affairs —Outside service	125	15

These conditions are not new. When I first was elected, in 1911, I was given a list of the Civil Service employees prepared in 1907, and I found that we were not given justice then any more than we are to-day.

I heard a few days ago the hon. member for Frontenac (Mr. Edwards) say that in each province the military recruiting will be judged by the efforts of every religious denomination to boost it. He also said that he trusted that the Pope himself was with us in this war.

But I maintain that the hon. member sets a false criterion by which to judge recruiting, because all our churchmen, priests and bishops, have continually urged our young men, with great patriotic eloquence, to join the colours. As to the Pope, he is the head of Catholics all over the world, and I am not prepared to desire that he should side with one or other of the belligerents, although I hope his love of humanity prompts him to favour the Allies.

It is his duty not to allow his preference to be seen.

If enlistment seems to be going slower in Quebec than in the other provinces—which I am not prepared to grant—the English and French fanatics in this country are responsible for it. Let us have justice throughout Canada. We want very little after all: only the right of teaching our language, of educating our children as we desire, of receiving our share of the public offices, and no more. We do not want to hamper the teaching of English in Canada, far from it. Let it be taught everywhere. We say that our British connection is the French-Canadians' best safeguard. We are not annexationists. We desire to remain Canadians and inhabit the land we have inherited from our ancestors. If we are to be denied that legitimate request for freedom, if we are not to be treated on an equal footing with all the other citizens of this country, better know our fate once for all, so that we may ask without delay the repudiation of the Federal pact, which would not then have for us the value of the scrap of paper on which it is written. The destruction of individual freedom will always entail endless controversies, going even to the shedding of blood. If justice is not to be ours, let it be known now, and we are willing to see the province of Quebec withdraw from Confederation. It is not our desire, of course, to pass under any other domination but the British Crown, nor become one of the United States, but we must have complete and absolute freedom.

The few remarks I have made are not prompted by any bitterness or secret design; their only purpose is to point out the conditions in which we are placed, and I hope my intentions have been clearly grasped by the statesmen who sit in this House and are called upon, each in his own sphere, to enlighten public opinion. The teaching of French properly is no danger to public morality. One may easily judge of its moral effect from a comparison of the two races. The Citizen of Ottawa, edited in English, admitted that in the province of Quebec, crime was much less prevalent than in the English provinces. If such be the case—and there is no doubt of it—there can then be no harm in practising the Catholic faith and teaching the French language and I trust that the greater fanatics among our friends will grant that my words are perfectly true.

I would now like to say a few words in English, so that my fellow members who speak that language may understand what I have said, and I hope they will admit that I am right. The first part of the resolution refers to the employees on the Intercolonial railway. For forty years the Intercolonial railway has been running through the province of Quebec and the Maritime Provinces, and I claim that the French speaking population of these provinces have not had their share of patronage on that railway. I have given a list that will show my fellow members that I am right in what I say. The French speaking population in the Maritime Provinces and in the province of Quebec are perfectly justified in claiming their rights. Of the population along the Intercolonial railway, particularly between Moncton and Mont-Joli, 66 per cent are French, and 34 per cent English, but instead of the number of French speaking employees being according to the population, they number only 20 per cent.

In the second part of the resolution, I refer to the Civil Service of Canada, and particularly to the employees in the higher grades, those whose duties render it necessary for them to come in contact with the French speaking population, or with the French speaking members of this House while in attendance at Ottawa. It refers to the employees who, by reason of the fact that they cannot speak French, are unable to give satisfaction. It often happens that when a French Canadian member enters one of the departments, he finds a staff of from ten to twelve employees, none of whom can understand him. The resolution does not refer to employees of the lower grades, but simply to those who are paid large salaries, from $2,000 to $5,000 a year, and these I maintain should be men possessing a knowledge of the French language, so as to be fully equipped for their positions, and to give satisfaction, not only to the English speaking people of this country, but also to the French speaking population. Take the men for instance at the head of the Department of Agriculture. They are called upon to attend conferences in various parts of the country, and to direct the development of agriculture throughout the country, but so far as the French speaking population is concerned, they are practically of no use, because of their lack of knowledge of the French language. Men with less knowledge could fill their places just as well at smaller salaries. The French speaking population cannot profit from their services at all. When they go into the province of Quebec, the people, except in a few centres, cannot understand them. I maintain that the employees of the Civil Service occupying the

higher positions should know both the official languages of this country.

In closing these remarks, I may express the hope that they will be accepted in the best spirit. I am not actuated by any animosity or hatred; I simply wish my fellow countrymen to understand the situation. It is not only in connection with the school question that there is a kind of animosity, if I may use that term, between the two great races in Canada. The feeling does not start there; it started at Confederation, and perhaps before Confederation. We feel that we have never been treated as fairly as we should have been. We do not want to do injustice to anybody, but we want fair play, and when we get that, our English speaking countrymen will find that we will cease to grumble.

Mr. E. PAQUET (l'Islet): (Translation.) Mr. Speaker, I should like this evening to say a few words in support of the resolution moved by my hon. friend, the member for Rimouski, but as the Minister of Railways is ill and Dr. Reid, who take his place could not reach the House on account of the storm, I think it better to move to adjourn the debate.

Motion agreed to and debate adjourned.

WOMAN SUFFRAGE.

Hon. WILLIAM PUGSLEY (St. John city) moved:

That, in the opinion of this House, it is desirable that the Government should promote legislation to amend The Dominion Elections Act, so as to provide that upon any province of Canada enacting legislation giving women the right to vote for members of the Provincial Legislature, such women as are on the Provincial voters lists, or as are otherwise entitled to vote for members of the Legislature in such province, shall also, unless otherwise disqualified, have the right to vote at elections for members of this House.

He said: Mr. Speaker, it is now nearly thirty years since I had the honour of proposing in the Provincial Legislature of New Brunswick a resolution to grant to women the right of suffrage. I had made that question an issue at the polls in the county for which I was a candidate, and I was elected. The people approved of my stand, but the resolution which I proposed was defeated in the Legislature by a small majority, and although the resolution was largely supported, the proposed measure never became law. Entertaining the views which I did at that time, that it was proper to grant to women the right of voting, and not having seen any occasion since to change those views, it is particularly gratifying to me at the present time to know that a Bill has already passed the Legislature of Manitoba granting equal suffrage to women, and that at the opening of the session of the Alberta Legislature, it was declared in the speech from the Throne that one of the principal measures which the Government would submit would be a Bill granting female suffrage. I have the Edmonton Bulletin, which contains the speech of the Lieutenant Governor of Alberta, and I find in it the following paragraph:

For many years there has been a growing feeling that the equality of the sexes should be recognized, and that the women, who, perhaps in a special degree in a new country, have aided in the development, put up with the hardships and assisted in the prosperity, should have the right to take an equal part in the Government of the country. My Government has considered this question, and has decided that so far as the legislature has power, this equality should in Alberta be fixed by law, and that for the future there should be no distinction of sexes in our province.

I think that declaration reveals the spirit which should animate the members of legislatures in the other provinces of Canada, as well as the members of this Parliament. For my part, I do not see that one supporting the proposition of equal suffrage is called upon to present any arguments in its favour, because I think that the burden should rest entirely upon those who oppose the granting of this measure of justice. I am unable to see one reasonable argument that can be presented against granting to the women of our country the same right to share in public affairs, the same right to vote for members of the legislatures, or of Parliament, as is granted to the male portion of the community. But, with respect to the resolution which I have ventured to submit for the opinion of this House, it is not necessary, I think, that one should declare in the abstract in favour of granting female suffrage and for this reason: when the Liberal party came into power in 1896, there was then upon the statute book an Act providing for a federal franchise and providing federal machinery for the making up of the lists of voters and for the qualification of voters. The Liberal Government took office, and at a very early period it carried through Parliament a measure doing away with the Federal Franchise Act and making provision that the provincial lists in the various provinces, and the law providing the qualification of voters, should govern in federal elections as well. During the whole of the period while the Liberal party was in power.

that principal was adhered to. The Conservative party has now been in office governing this country for upwards of four years, and no move has been made to change the present Dominion Elections Act. So, I think we may fairly take it for granted that both parties in this country are agreed that whatever may be the qualification for voters for the provincial legislatures in the different provinces, shall also be the law in so far as the right of electors to vote for the Dominion House of Commons is concerned.

It will be observed that my resolution only proposes that the Government should frame legislation to provide that in those provinces where the right of suffrage has been granted to women by the legislatures, women in those provinces shall have the right to vote at elections for members of the House of Commons. The necessity for making some such provision, I think, will be abundantly clear from an examination of the Dominion Elections Act. An examination of the provisions of the Revised Statutes of Canada, Volume 1, chap. 6, shows that in respect to all of the provinces, except Alberta, Saskatchewan, and the Yukon Territory, there is no express prohibition of women voting.

Mr. ROGERS: There is no prohibition in Saskatchewan against the ladies voting.

Mr. PUGSLEY: There is, unless the law has been changed recently.

Mr. ROGERS: They voted there in 1912.

Mr. PUGSLEY: For the Dominion?

Mr. ROGERS: No, for the provincial legislature.

Mr. PUGSLEY: I am speaking now of elections for the Dominion House. There is no express prohibition in the Dominion Elections Act against women in that part of Canada other than Alberta, Saskatchewan and the Yukon, voting for the Dominion House of Commons, and it might be very well argued that if, in that part of the Dominion which is not embraced within Alberta, Saskatchewan, and the Yukon Territory women were placed upon the provincial voters' lists they would have the right to vote in Dominion elections. But, when we bear in mind that also in respect to the representation in this Parliament there is no prohibition against women, and that the statute is equally silent in regard to women sitting in this House as it is in regard to women voting for members, I think, perhaps, it would raise a very strong doubt as to whether or not, if the question came before the courts, it would be held that women have the right to vote, merely because there is no express prohibition of their exercising that right. The words of the statute with regard to candidates for Parliament are simply that a British subject may be elected to Parliament. The words will be found in Section 69:

> Except as in this Act otherwise provided, any British subject may be a candidate in an election for a seat in the House of Commons.

These words, of course, are broad enough to allow a woman, if she is a British subject, to be elected to this House. The same argument, which could be made in favour of giving such a construction to the provisions of the Act which relate to the rest of Canada, apart from Saskatchewan, Alberta, and the Yukon as would give to women the right to vote for members of Parliament would also give women the right to sit as members of Parliament. I doubt very much if the statute would be so interpreted by the courts.

My hon. friend the Minister of Marine and Fisheries (Mr. Hazen) knows that some years ago, in the province of New Brunswick, an application was made by a lady for admission to the Bar. There was no prohibition in the provincial statute against women practising at the Bar, and therefore there would have been, on the face of the statute, apparently no reason why a woman should not be admitted to practise law. But, when the question came before the courts on application for a mandamus to compel the Barristers' Society to admit a lady to the practice of the law, the court determined that as from time immemorial women had not been allowed to practise, or had not practised either at the Bar in Great Britain or in New Brunswick, it had not been the intention of the legislature to grant that privilege in the absence of express language of the statute granting it. Assuming that decision to be correct, I should judge that a similar argument might be made in respect to women being elected members of this House, namely that from time immemorial women had not been permitted to be elected as members of the British House of Commons or of this Parliament, and therefore were not eligible. It would, I fear, be held that when this Legislature passed the Dominion Elections Act it had not in mind the giving to women of the right to vote. My hon. friend (Mr. Lemieux) informs me that a similar

case arose in respect to an application of women to study law in the province of Quebec. In one portion of Canada, there is an express prohibition against women voting for members of Parliament. Part two of the Dominion Elections Act, consisting of sections 32 and 33 says:

> In the provinces of Saskatchewan and Alberta except, as in this Act otherwise provided, every male person shall be qualified to vote at the election of a member under this Act, who, not being an Indian, is a British subject and of the full age of twenty-one years and has resided—

Then follows the provision for residence. There is the same prohibition in respect of the Yukon territory in section 33:

> In the Yukon Territory, save as in this Act otherwise provided, every male person shall be qualified to vote at the election of a member under this Act, who, not being an Indian, is a British subject and of the full age of twenty-one years.

Then again by the form of the proclamation which will be found upon page 82 of volume I, revised statutes; and which is made a part of the statute there is this notice for the electors:

> The following is the qualification of electors as prescribed by Parliament:
> In the provinces of Saskatchewan and Alberta and the Yukon Territory except as in this Act otherwise provided, every male person shall be qualified to vote at the election of a member under this Act, who, not being an Indian, is a British subject and of the full age of twenty-one years and has resided in the provinces of Saskatchewan or Alberta or the Yukon territory, as the case may be, for at least 12 months.

And then in the oath, which will be found on page 89, in case the right of any one to vote is challenged, the oath is as follows:

> Do you swear you are of the male sex and a British subject, that you are not an Indian, that you are of the full age of 21 years and have resided in the provinces of Saskatchewan or Alberta or the Yukon territory, as the case may be, for at least 12 months.

Mr. ROGERS: What Act is my hon. friend quoting?

Mr. PUGSLEY: The Dominion Elections Act.

Mr. ROGERS: There have been some changes.

Mr. PUGSLEY: I have not been able to find any revisions of these sections; they have not been altered but remain in the statute.

Mr. ROGERS: My hon. friend should look up the Saskatchewan Act and he will find in it some very important changes.

Mr. PUGSLEY: That would be so far as the Saskatchewan Legislature is concerned.

Mr. ROGERS: The same law applies in Saskatchewan to the Dominion and to the provincial elections.

Mr. PUGSLEY: My hon. friend is wrong. The Legislature would make provision for the lists, but this Parliament has never altered those provisions of the statute which expressly limit the right to vote to males. Parliament has not changed the law in that respect. I am quite aware that the Legislature of Saskatchewan has made provision for electoral lists and, as a reasonable consequence, one would suppose that apart altogether from this question having arisen, this Parliament would have followed the action of the Legislature of Saskatchewan and made in regard to that province similar provisions to those which exist in other provinces where there are lists.

Mr. ROGERS: Surely my hon. friend would not ask us to follow Saskatchewan, when they provided that it was not necessary to be a British subject to exercise the franchise in that province.

Mr. PUGSLEY: I should think myself that the right of franchise should be limited either to British subjects or to those who have taken the statutory declaration. Perhaps my hon. friend might be able to point me to that statute.

Mr. ROGERS: I shall be delighted.

Mr. PUGSLEY: Since the fire we are at a great disadvantage in getting books of reference.

Mr. TURRIFF: The Minister of Public Works is a little bit wrong. There was a question whether the Saskatchewan Act stated definitely that the voter had to be a British subject, but that was removed by amendment in the session after the question arose.

Mr. ROGERS: Following an election.

Mr. TURRIFF: In Saskatchewan we do not use the provincial lists in Dominion elections.

Mr. PUGSLEY: I thank my hon. friend from Assiniboia for the statement he has made. I have no doubt the minister made his statement in perfect good faith.

Mr. ROGERS: My statement is perfectly correct.

Mr. PUGSLEY: I have no doubt the minister is glad to have the information from the hon. member for Assiniboia.

Mr. ROGERS: There is no information that changes my statement at all.

Mr. PUGSLEY: At all events, this does not at all militate against my statement that this Parliament has not yet taken away the disqualification on female residents of the provinces of Saskatchewan, Alberta, and the Yukon, and I care not what may be the legislation of the provinces, until this Parliament chooses to legislate these sections which I have read are in force and must necessarily govern the returning officers, and must necessarily determine the right to vote, so far as sex is concerned.

Mr. ROGERS: Would it not be well for my hon. friend to amend his resolution and make it applicable to all parts of Canada?

Mr. PUGSLEY: If I were to do that it would raise in a broader way the question of the right of suffrage, and it would be changing the provincial lists. If the law were changed in accordance with the suggestion of my hon. friend, the result would be that in all the provinces where female suffrage has not been adopted there would have to be two lists.

Mr. ROGERS: I should think the provinces would be very glad to follow the example of this Parliament if we should adopt it.

Mr. PUGSLEY: I am not sure that this Parliament has decided that it will be governed by the views of the Provincial Legislature in this respect. I did not think it wise to make the resolution so broad as my hon. friend suggests, and, further, I did not deem it desirable to do so in this Parliament because we have it on record, if the right hon. the Prime Minister is reported correctly, that in an interview which took place recently between a committee representing the women of Canada who are in favour of female suffrage, and himself, when the Government was pressed to promote legislation along the lines now suggested by the Minister of Public Works, the Prime Minister stated that the Government could not deal with the matter because it was one entirely for the legislatures of the different provinces. The Prime Minister is quite correct in that statement because, as long as Parliament says that the franchise shall be defined by the legislatures of the provinces, and that the provincial lists shall be the lists upon which elections for the Dominion shall be held, we cannot properly depart from the franchise as it may be laid down in the different provinces by the provincial legislatures. The House will at once recognize how anomalous it would be that in Manitoba, which has given to women the right to vote, they might have the right to vote for members of this House, that is, on the theory that there is no direct prohibition in Manitoba, and in the province of Saskatchewan they would be denied that right by reason of the express prohibition which is in the Dominion Elections Act.

Mr. ROGERS: It is in our power to correct that.

Mr. PUGSLEY: Yes. That was my object in bringing this matter before the House to-night, not in any partisan spirit, but simply with a view to getting an expression of opinion from the House, and with a view to having the Government act so that there may be no question as to the right of women to vote in those provinces in respect to which the right to vote in a provincial election is granted to them.

Mr. PROULX: Would the hon. member be willing to go as far as the legislature of Manitoba did and extend the franchise to include the right of women to occupy seats in this Parliament?

Mr. PUGSLEY: My hon. friend can answer that question for himself. It is not involved in my motion and it will be time enough to consider it when the question arises. I am not at all disposed to fear that any harm will come to the province of Manitoba by reason of women being given the right to sit in the legislature and take part in the government of Canada. I think they have that right in New Zealand and Sweden.

Mr. LEMIEUX: And Norway.

Mr. PUGSLEY: I know they have it in a large number of the states of the Union, and I have never heard that any harm has come to the people of those countries or states by reason of women having been given the right to sit in the legislatures.

During the terrible eighteen months through which this Empire has passed, the women of this country have shown that they are just as loyal and that they know their duty just as well as the men, and that they can make the same necessary sacrifices in the interest of the country and of the Empire. In England they have shown their willingness and ability to take

the place of the men in the workshops and to engage in those various avocations to which it was supposed before that men were specially adapted, and in which it was supposed that women had no place. By their conduct during this war the women of this country have earned the right to be recognized as the equals of men and to be given the opportunity of discharging equally with men those duties which pertain to citizenship in a free country. That is the answer which I make to my hon. friend from Prescott (Mr. Proulx), and if he or anyone else will move that women should be given the right to sit in Parliament, I can assure him that he will have, in the person of myself, a sympathetic listener to his arguments. I am inclined to think that the motion which I am making to-night will be received with hearty approval by my constituents. I am only asking this Government to promote legislation which will carry out what has been the view of this Parliament for the past nineteen years, that is, that the provincial lists of voters in the different provinces shall govern in the elections in those provinces for members of this Parliament. This legislation is necessary in order to remove difficulties and make the provincial lists really and truly the lists for the election of members of Parliament, and to place all the provinces, which from time to time may grant women suffrage, in the same position so far as electing members to the House of Commons is concerned. It is not necessary for me to argue the general question, because the events of recent years, the trend of legislation in other countries, the benefits which have accrued to those countries which have adopted woman suffrage, all tend to throw, and ought to be sufficient to throw the onus upon those who would seek to oppose such a measure as this which is manifestly founded upon the principles of justice and equal rights to all the members of the community.

Mr. G. W. KYTE (Richmond, N.S.): Mr. Speaker, while it is a common practice in this House, when a mere academic resolution is proposed, to have it disposed of either by an adjournment so as to place a further discussion of it beyond the possibility of being reached during the session in which the motion is made, or by a vote being taken upon it as a mere matter of form, I do not intend to sit silent until the matter proposed by the hon. member for St. John (Mr. Pugsley) is disposed of. I desire at the earliest possible moment to put myself on record, in language as concise and clear as I may command, as being against the principle enunciated in the resolution.

My hon. friend has stated that the onus is upon those who oppose woman suffrage to show that they should not be permitted the right to vote in Federal elections. It will not be very difficult to give reasons why the reception which the proposal to give women the right to vote received in the states of Massachusetts, New Jersey, and New York a few months ago ought to be accorded to the present resolution by representatives occupying seats in this House. I am opposed to the resolution of the hon. member for St. John because it refers only to a franchise to be exercised by women in the province of Manitoba. This Parliament ought not to be asked to legislate piecemeal with respect to those who shall have the right to vote in Federal elections. I cannot understand why the women of the province of Manitoba, estimable and intelligent though they may be, shall have the right to vote in Federal elections, while the women of the other provinces are excluded from that privilege. We are legislating here, not for one province alone, not for one section of the Dominion, but for the whole of Canada, and any proposal or resolution designed to give the people, either male or female, certain privileges in any particular portion of Canada ought not to prevail unless those rights and privileges are made applicable throughout the Dominion.

The demand for woman suffrage is made because women claim to be the equal of men in all respects, and that is one of the arguments put forward by the hon. member for St. John. For my part I never dispute the proposition that women are not only equal, but in many respects, superior to men; but does it add to their superiority, or does it increase their virtues to accord to them the privilege of voting and becoming a part and parcel of the political machinery of this country? The right to vote is only one prilivege which is sought to be conferred upon women by this proposed legislation. Although women are the equal of men in this country, there are certain positions which men occupy which are not occupied by women, although they are not prevented from occupying them by reason of any hostile or adverse legislation. In this country there are large railway corporations, banking institutions, and industrial corporations which are governed by men alone. There is not a railway, bank-

ing, or industrial corporation in this Dominion on whose board of directors women sit. Now, is that because there is any legislation, or any lack of legislation, which prevents them from sitting there? There is no reason in the world why the good women of this country should not occupy positions on these boards of directors, but they do not, and I have not heard of any great agitation on the part of our estimable women to be accorded seats upon these boards. I presume that the reason why we have no agitation with respect to that is that it is not necessary to come to Parliament in order to have these rights accorded. It appears to me folly to say that women are excluded from the right to vote in this country because they are not assumed to be the equal of men. As I pointed out, there are other responsible and important positions in this country in which women could take their seats beside men, and have not done so up to the present time. I do not understand that there is any particular reason why these positions should not be occupied by women unless it is that these large corporations have been managed from the beginning by men and have been made successful by the business energy and pluck put into them by men. It may also be because the wealth of this country, like the wealth of all countries of the civilized world, has been produced by men, women not having participated to the same extent in adding to the wealth which makes these corporations possible. These may be the reasons why women have not put themselves forward as entitled to participate in the management of these institutions.

The demand is also made that women should have the right to vote because there should be no taxation without representation. The right to vote will not give these women representation. I am opposed to the resolution of the hon. member for St. John (Mr. Pugsley) because if it were accepted by the House it would not settle anything. The right to vote is only one of the rights which, if that be granted, must be accorded to women. My hon. friend from Prescott (Mr. Proulx) I think hit the nail upon the head when he asked the hon. member for St. John if he is willing to concede to women the right to sit in Parliament. The influence of electors is very small in matters of taxation. Tom Jones or John Brown, living in a remote district in Nova Scotia, has very little influence on the Finance Minister in settling his Budget. In order to give representation to which one is entitled who is subject to taxation, it must be given not in the electoral list but on the floor of Parliament. But there are certain advantages and rights which women enjoy by reason of any taxation they pay quite equal to those enjoyed by men. In the matter of civic taxation, women who have property have the same police protection, the same enjoyment of municipal regulations to protect their property, as the men have. On the other hand, hon. gentlemen who occupy seats in the other branch of this Parliament, though they are considered intelligent men, possessing considerable wealth in some instances, have no right to say in what manner taxation shall be levied upon them. We have there a case of taxation without representation.

It is stated by the advocates of woman suffrage that women are entitled to vote because it would give them an opportunity to exercise their influence with respect to matters pertaining to property and civil rights. Now, property and civil rights are matters concerning which this Parliament has no control. Uuder the British North America Act such matters are relegated to the Provincial Legislatures, and if there is any argument in favour of women being accorded the right to vote on account of their disability to exercise their influence with regard to these subjects, then the right to vote should be limited to the Provincial Legislatures, and not extended to the Dominion Parliament.

Another argument used in favour of woman suffrage is that women would exercise a most beneficial effect upon all questions of social and moral reform. Well, we have had questions pertaining to social and moral reform before this Parliament and before the Legislatures of the several provinces for many years. We have had temperance legislation promoted in the various provinces. We know that in three of the provinces at least there is practically total prohibition. The women of this country are naturally interested in the question of temperance. It is to the highest degree commendable in them that they have always given their influence on the side of temperance. But they have made their influence felt in the legislation adopted by this Parliament and by the legislatures of the provinces on this subject. In Nova Scotia

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we have practically total prohibition. In Saskatchewan they have prohibition to the extent that there is no such thing as a liquor business carried on by private individuals. And there are assurances that Alberta will have prohibition within the next few years. These reforms have been brought about notwithstanding that women have no votes and have not occupied seats in the provincial legislatures or in this Parliament. There is a stronger feeling in favour of Dominion-wide prohibition to-day, I believe, than ever before. On all sides we see evidence that the temperance movement has received enormous momentum within the last few years, and we have every reason to believe that there will be more temperance legislation within the next few years than in all the previous history of the Dominion. And all this is brought about by representatives in the legislatures and in the Parliament of Canada among whom women do not sit. Mere men are willing to give ear to pleas for social and moral reform; and I question very much if the influence of women, if they were given the right to vote and to sit in Parliament, would be more potent than it is at the present time. Has there ever come up in this Parliament a question in which the rights and interests of women have been discriminated against as compared with men? Very few subjects are dealt with in this Parliament in which women have an exclusive interest? Take our criminal law, as an example. There is not a line from one end to the other of that code that discriminates against women. On the contrary, exceptions are made in favour of women under the provisions of the criminal law that do not apply to men. Therefore, women cannot ask the right to vote on the ground that because they do not exercise the franchise their interests are not safeguarded in Parliament or in the legislatures of this country.

Women's condition in the scheme of citizenship has been vastly improved by the legislation of the last hundred years. The Married Women's Property Act, which has been placed upon the statute-books of the various provinces of this Dominion within comparatively recent years, accords to women the right to exercise control over their own property which they did not exercise fifty or a hundred years ago. It was brought to the attention of the representatives of the people in the legislatures of Canada that the right of property was not enjoyed by married women to the same extent as by men, and immediately these legislatures took up this question and enacted laws on the subject of women's property, so that to-day women exercise practically the same control over their property as men do with respect to the property which they own.

Woman suffrage is demanded because it is complained that virtuous and intelligent women have no votes, while male illiterates and drunkards have the right to vote. I ask, are all women virtuous and temperate? I am willing to concede that the exceptions are not so numerous among women as among men; nevertheless, if you are going to extend the franchise to women you will be extending it to some who are of the same class as those among men whose exercise of the right to vote is objected to. We have in some provinces a limited franchise. In the province of Nova Scotia, and I think in New Brunswick and Ontario and some other provinces as well, there is a property franchise upon which the right to vote is based. In Nova Scotia, before a person is permitted to vote, he must show that he is the owner of real estate to the value of $150 at least or is in receipt of an income of $250 a year. But in the province of Manitoba, if I am correctly informed, there is manhood suffrage. Every male person of the age of 21 years has the right to have his name placed on the electoral list, quite irrespective of whether or not he owns property. The same law prevails in the province of Saskatchewan, and, I have no doubt, also in Alberta and possibly in British Columbia. Therefore you have an adult suffrage in these provinces. If the principle contended for by my hon. friend from St. John is carried, you not only place the women owning property upon the electoral list, but you put upon the electoral list the name of every woman 21 years of age whether she owns property or not. As I say, you take in the whole scope of the female population of these provinces, and again I ask are there no drunkards among the women of these provinces?

Mr. ROGERS: No.

Mr. KYTE: I do not know; but I do know that in some countries we sometimes find that the virtue of sobriety is not as universal among the women as we would like it to be.

Mr. ROGERS: That is not so in the West though.

Mr. KYTE: If such a thing happened that there were any women in those prov-

inces where manhood suffrage is enjoyed who do not possess the highest standard of sobriety and morality, they would be equally objectionable as voters as those male electors of whom the women complain. You have these undesirables, if there be any, placed upon the electoral list, and I should like to know how much more the undesirable female voter would improve the moral condition of this country than the undesirable male voter. Government means force; it means endurance; it means physical power. Voters do not make Governments. The decrees of Governments are not enforced mechanically or automatically. After laws are passed in the legislatures and Parliaments it is necessary to give effect to them, very frequently by force. Our civic ordinances are enforced by certain officers who constitute the police force in the community where the ordinances apply. Our national laws are enforced very frequently by our soldiers and international rights are necessarily enforced by arms. If women claim that they occupy the same position exactly in the scheme of citizenship that men do, then how are their laws going to be enforced, because there will be no distinction? They say that in all respects they are equal to men and they are prepared to assume the same burdens that are imposed upon men. Then if that be true women must assume the garb of the police officer if she represents the public in civic matters. Her sisters, by virtue of whose support perhaps she occupies a seat in the civic or municipal council, must assume the garb of policemen and must do police duty to enforce civic laws. If rebellion breaks out in this country it is necessary to call out the militia. There is no reason why the militia force should be confined to the men, because if the resolution of the hon. member for St. John passes and women become as important a factor in the government of this country as men, then they must have the same obligations imposed upon them, and these women must be prepared to shoulder their guns, to march out and take their places in the trenches, and to do their full share in enforcing the laws which they are parties in the making. We have a condition of affairs existing now which shows how futile would be the assertion of international rights if they were not backed up by force of arms. Advocates of woman suffrage, if the ideal conditions are brought about which they have in mind, must agree that women shall constitute part of our armies and shall endure the same hardships, the same discomforts and the same privations that are endured by the men now occupying the trenches. It is folly to say that women are physically the equal of men. In some other respects they are superior to men.

Those in favour of women having the right to vote seem to be influenced by two notions. One is resentment at the suggestion that women should be counted by men as inherently inferior in certain respects. The second is reprehension of a state of society in which more money, more personal liberty, more power, more public recognition and happier psychological conditions fall to the share of men. The interference in politics on the part of woman I very much fear is more likely to degrade women than her influence is calculated to elevate politics. We do know that in certain states of the Union women have enjoyed the right to vote, for 48 or 50 years. Twelve states have adopted prohibition with men alone voting, while only four states have adopted prohibition with the aid of women's votes. The State of Maine, which has defeated every attempt to introduce woman suffrage, has had prohibition since 1850. North Dakota, which defeated woman suffrage at the polls in 1914, has had prohibition since 1889. Not a single state went dry with women voting before Nov. 3, 1914. According to Senator Works of California, the city of San Francisco has 3,500 saloons. The male suffrage city of Boston, with a population one and one-half times as large as San Francisco, has only about 700 saloons. On May 4, 1915, the women of Reno, exercising the franchise for the first time, voted against the proposition to reduce the number of saloons from 80 to 40, and were publicly thanked by the liquor interests for standing by them. After 46 years of woman suffrage, the State of Wyoming is still wet. Colorado, woman suffrage since 1893, adopted prohibition Nov. 3, 1914, but the city of Denver, under the local option provision for cities of 50,000 and over, voted to remain wet.

I cite these facts for the purpose of showing that one of the reasons advanced in favour of woman suffrage has not been realized as respects prohibition. Originally, when this agitation was let loose in the United States, the contention was made that woman had the inalienable right to exercise the franchise and have her name placed on the electoral list. The Supreme Court of the United States, 20 years ago, upon that matter being referred to them, declared unanimously that women had no

inalienable right whatever in regard to the matter. So the advocates of woman suffrage were obliged to shift their ground and they based their argument on the claim that, while they did not have a right to claim the exercise of the franchise, it was desirable in the public interest because their influence would be so elevating on all subjects of social and moral reform. The facts I have cited as to the influence of women voters on the prohibition question in the portions of the United States where they exercise the franchise, goes to show that no marked advancement has been brought about by reason of their exercising that privilege. As I stated a moment ago, the granting to women of the right to vote does not settle anything whatever. In the province of Manitoba the legislators recognized that fact; they felt it would be useless and futile to stop at giving women the mere right to vote, so they coupled with it the necessary corollary of giving them the right to sit in Parliament. I repeat, there is no question as to women being inferior or unequal to men in any way, but there is a vast difference between the functions of women as compared with those of men. In every well-regulated family the work is divided among its members, so that each duty is assigned to such member as should most properly perform. Take a homely illustration from country life. The father and sons do the outside work, while the household duties are performed by the mother and daughters. Now, any rearrangement of those duties, that would place the mother and daughters upon the roof of the barn to repair the leak, and the father and sons in charge of the pastry and needlework, would be universally regarded as highly inequitable and improper. Votes for women mean for the suffragette not only the right to vote, but the right to canvass in elections, to serve upon committees, to attend caucuses, to sit in Parliament, to have no time left to devote to those tender duties for which she alone in the whole creation is specially fitted. The division of labour that I referred to a moment ago was decreed by God himself and honoured and respected by man throughout all the ages. It implies no lack of capacity, no inferiority, on the part of women. It is the sturdy trees of the forest that bear the brunt of the storms, and thus afford shelter to the tender foliage that vegetates beneath their protecting branches.

The agitation for women suffrage began in the United States some seventy years ago, and it has been going on merrily ever since. It is quite true that in some of the Western States they have succeeded in getting the suffrage as respects State elections, but during those seventy years every attempt made to grant women the right to vote in federal elections has been persistently and consistently opposed. I recognize and appreciate the character and quality of the citizens of the United States, and there are many respects in which they can set us an example, in certain departments of government, as well as regards intellectual development; but there are other aspects of their social and civic life from which I would not like to borrow, or which I would care to have engrafted upon the body politic of this country. There are two evils from which the United States has suffered as no other country in the world has suffered; the first is that of divorce, and the other arises from the agitation for woman's suffrage. I submit Mr. Speaker that the agitation for woman suffrage bids fair to rob the people of the United States of the remnant of domestic and social life which has been left to them by their divorce laws. The agitators in favour of woman suffrage would call her away from the functions which she was designed by nature to perform, and would change her from the gentle creature that we have always known her to be into a raving militant suffragette. The agitation in England has been such as to leave a blot upon the civilization of that country. Advocates of woman suffrage say that the women would ennoble public life. I would ask if they approve of the actions of the militant suffragettes in England previous to the war. There was no breach of the peace, no destruction of property, no invasion of private rights which they failed to conceive and carry out. The jails were filled, week in and week out, with the women who believed that by those methods, and those methods alone, they would be able to carry out the reform which they sought to establish.

I referred a moment ago to the consequences upon the social life of the United States of the advocacy of woman suffrage. I will quote a few statistics showing the result of the agitation during recent years.

In the House of Representatives, January 12, the proposed suffrage amendment to the Federal Constitution was defeated by a vote of 174 yeas to 204 nays, with 57 representatives not recorded. In a full House the suffragists would have needed 290 votes to carry the amendment. They fell 116

short of that. On the vote recorded they needed 252 votes. They fell 78 short of that.

The following were the results so far as the legislatures are concerned. In Alabama, the suffrage amendment for which the suffragists had made an active campaign, did not get out of committee. In Arkansas, the suffrage amendment was crowded out by the provision that only three constitutional amendments can be submitted at one time. In Connecticut, the proposed amendment was defeated in the House by a vote of 106 yeas to 124 nays. In Delaware, the proposed amendment was defeated in the House by a vote of 8 yeas to 22 nays, and in the Senate by 6 yeas to 11 nays. In Florida, the proposed suffrage amendment was defeated. In Georgia, a resolution for the submission of a suffrage amendment was laid on the table by a unanimous vote by the Legislative Committee. In Illinois, the resolution for a constitutional convention, for which the suffragists laboured, in the expectation that the convention, if it met, would make full suffrage one of its chief considerations, failed to pass the House after receiving a nearly unanimous vote in the Senate. In Indiana, a limited suffrage Bill, after the Illinois model, was defeated. In Maine, the proposed suffrage amendment was defeated in the House. In Michigan, the suffrage attempt to secure the enactment of a limited suffrage Bill failed because the Bill was found to be unconstitutional. In Minnesota, the proposed suffrage amendment was defeated in the Senate. In Missouri, the attempt to persuade the legislature to resubmit the suffrage amendment which was defeated at the polls last year by a majority of 140,206 failed. In Nebraska, a limited suffrage Bill was defeated. In New Hampshire, a municipal suffrage Bill was defeated in the House by a vote of 121 yeas to 230 nays, an adverse majority of nearly two to one. In North Carolina, a proposed suffrage amendment was indefinitely postponed by the House by a vote of 68 to 39. In North Dakota, the proposed suffrage amendment, which passed the 1913 legislature, came up for the required action by a second legislature, but was tabled in the Senate by a vote of 26 to 21. In Oklahoma, the proposed suffrage amendment was indefinitely postponed in the Senate. In Rhode Island, a presidential suffrage Bill was defeated in the House by a vote of 65 to 31. In Vermont, a combined presidential and municipal suffrage Bill was defeated in the House by a vote of 129 to 100.

[Mr. Kyte.]

In Wisconsin, the resolution providing for the submission of a suffrage amendment to the electors was defeated in the House, April 20, and in the Senate, July 1.

The results at the polls were: In New Jersey, October 19, for the suffrage amendment, 133,201; against, 184,474; majority against, 51,273. In Massachusetts, November 2, for the suffrage amendment, 162,482; against, 295,939; majority against, 133,487. In New York, November 2, for the suffrage amendment, 544,457; against, 732,770; majority against, 188,313. Unofficial anti-suffrage majority in Oneida county, 6,154, making the total majority against, 194,467. In Pennsylvania, November 2, for the suffrage amendment, 385,348; against, 441,-034; majority against, 55,686.

If after seventy years of agitation in the United States these important and wealthy states of the Union have pronounced so decisively against female suffrage, how can my hon. friend from St. John hope that this Parliament is going to accept his resolution upon a mere moment's notice? He stated in his opening remarks with much pride that thirty years ago he had proposed a similar resolution in the legislature of New Brunswick. I commend him for his persistency, I commend him for the consistency of his course, but inasmuch as the legislature of New Brunswick has not yet accepted female suffrage, the hon. gentleman cannot boast of the success that has crowned his efforts.

I am opposed to the resolution of the hon. member for St. John because it imposes an obligation upon the vast majority of the women of this country that they are unwilling to assume. The right to vote is not a contest between the women in the United States and England who seek the franchise and the men who are opposed to it. I say, and I say with authority, that the contest, both in England and the United States, is rather between the women who are in favour of the exercise of the suffrage and the vast majority of the women in those countries who do not want to exercise the suffrage. Take a poll of the women in England, and a poll of the women in the different states of the Union in which this agitation is going on, and it will be found that there is a vast majority of women who are opposed to woman suffrage. So far as this country is concerned, I am unwilling that this Parliament shall impose upon the vast majority of women an obligation which they are unwilling to asume, which they do not wish to assume and which, according to all womanly and motherly instincts, they ought not to be

asked to assume. If the resolution of the hon. member for St. John becomes crystallized into law we will bequeath to our children, and our children's children, a social and domestic life as bald and barren as the mountains of Gilboa.

Mr. W. H. BENNETT (East Simcoe): Mr. Speaker, in view of the wide difference of opinion which exists between such weighty men as the hon. member for St. John (Mr. Pugsley, and the hon. member for Richmond (Mr. Kyte), and in order that they may have an opportunity, between now and a future session, of adjusting their differences amicably, and as there is a great number of gentlemen on this side of the House who desire to speak on this most important subject on a future occasion, I move the adjournment of the debate.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: It is moved by Mr. Bennett that the debate be now adjourned.

Mr. PUGSLEY: I think that upon reflection my hon. friend (Mr. Bennett) will see that it is not desirable to press this motion. It is quite early in the evening and my motion has stood over on quite a number of occasions when it was called particularly at the request of members of the Government. It having now come up for consideration I think it is desirable, if possible, to take a vote upon it to ascertain what is the opinion of the House so that the Government may be guided by that opinion. If the House should be in favour of refusing the motion, of course, the Government will act accordingly. If the House should be of the opinion that the motion should carry, I think it is desirable that it should be so informed at as early a time as possible, because Manitoba has passed woman suffrage. There are two vacancies in Manitoba, and unless the legislation is made clear there will be inextricable confusion in connection with these elections when they come on. There will be many lawyers, I venture to say, who will claim that women have the right to vote for members of Parliament. There will be many others who will say that they have not the right to vote. It is desirable to make it clear. If the motion stands over to-night by the ingenuity of my hon. friend, it may not come up again during the present session, as the Government have given notice that they are going to take Wednesdays, and Government business will have precedence on that day. I would therefore ask my hon. friend not to press this motion.

Mr. ROGERS. In answer to my hon. friend, I may say that this is undoubtedly a very important question that has been raised, and, in so far as any fear my hon. friend may have with respect to the question not again being brought to the attention of the House, I assure him that the question will come up again before the close of the session. It is an important question and we are most desirous of disposing of it in the most reasonable and the clearest manner possible. Therefore, I entirely agree with my hon. friend from East Simcoe (Mr. Bennett) in moving the adjournment of the debate.

Mr. GEORGE E. McCRANEY (Saskatoon): Mr. Speaker, before the motion to adjourn the debate is put, I would like to say a few words as coming from the province of Saskatchewan, which is one of the provinces that in the very near future will adopt suffrage for women.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion of the hon. member for East Simcoe?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. SPEAKER: I declare the motion lost.

Mr. McCRANEY: As has been pointed out in the House already, the province of Manitoba has passed a resolution which will give the franchise to the women of that province. The legislature of the province of Saskatchewan is now in session and Mr. Walter Scott has given the assurance that similar legislation will be passed. In Manitoba a very large petition was presented by the women of the province asking for the franchise. The same has been done in Saskatchewan—

Mr. ROGERS: I am afraid my hon. friend is rather out of order in view of the fact that the debate has been adjourned.

An hon. MEMBER. No, the motion was lost.

Mr. SPEAKER: The hon. member for East Simcoe made a motion to adjourn the debate and I declared the motion lost.

Mr. McCRANEY: I do not know whether or not a petition was presented to the legislature of Alberta, but that legislature is now in session, and the Premier of the province has pledged that there also

woman suffrage will be granted. The hon. member for South Cape Breton (Mr. Kyte) argued that if these women were given the franchise they would have to assume obligations different from those assumed by men in respect of the franchise—as though they had not the right to exercise the franchise as men do. If women are given the franchise, those who do not care to exercise it may stay at home, as the men do when they do not wish to exercise it. The motion of the hon. member for St. John city does not seek to impose woman suffrage upon the county of Richmond; it simply asks that any province desiring to do so may have the right to give their women a voice in public affairs. This has no reference to the question of prohibition. In the province of Manitoba, women will not vote in the plebiscite which is to be taken on the thirteenth of next month. Women had no part in the vote which was taken last summer in the province of Alberta. In Saskatchewan it had already been determined to take a vote on the question of prohibition, and it is only because that vote has been accelerated that in the meantime women will be given the right to vote.

But what is the real reason why we should give women votes if they want them? We have learned many things from the war, and one thing that I believe we have learned more than any other is that women are able to take a place in public affairs that we had not previously thought them capable of. Their patriotic instincts have been a surprise to us; they have shown an ability to organize and a desire to advance national welfare which entitled them—at least in our province, we think—to take part in public affairs. In no province has the right of women been more fully recognized than in my own province—in the matter of their being given a right similar to dower, in the matter of their rights in cases of intestacy, in the matter of their right to vote in municipal and school elections. The right which I have last mentioned is extended to unmarried as well as to married women. There are reasons why the western provinces recognize the copartnership of husband and wife in public affairs which may not apply with equal force in the eastern provinces. It is well known that in every new country the burden of settlement and of building up the community is borne by women as well as by men, indeed, as one who has lived quite a number of years in the West, I would say that those burdens fall more heavily upon the women than upon the men. The men of our province and of the other Prairie Provinces wish to give women a share in public affairs because they recognize what women have done in the building up of the country.

My hon. friend has argued that if women take part in public life they will have to bear arms and act as the policemen of the country. That is as we will. If we say to the women: you must bear arms and be policemen, I am quite sure that there are many of them who will do so and will do it well. In any such argument there is no appeal to our chivalry, and I am quite sure that my hon. friend was not in serious vein when he made use of it. The fate of this motion has been indicated; it will probably arrive at nothing more than discussion this session. But I believe that after women shall have been given an opportunity to take part in the public affairs and have shown their capacity to do so, we shall have in all our legislatures a better class of men than we have had hitherto. That result in itself would be sufficient. In view of the results which have come from the part taken by women in elections, I do not think this Parliament should refuse to give to the women of the western provinces who already have a vote in municipal affairs the right to exercise the franchise as proposed by the hon. member for St. John city.

Mr. EDMUND PROULX: I regret to have to differ from the hon. member for St. John City (Mr. Pugsley) in that I think the franchise should be extended only to widows and spinsters.

Mr. PUGSLEY: You think they are the most sensible.

Mr. PROULX: No, but a widow may be the head of a family, and may take great interest in the affairs of her country. In Ontario the right to vote in municipal elections has been extended to widows and spinsters who hold property, and it was recently proposed to extend this right to provincial elections. If the resolution of the hon. member were limited to widows and spinsters, I should feel disposed to support it, but I do not feel disposed to support a proposal to extend the franchise to married women, thus introducing into the home matters of political discussion and dissension.

Mr. CARVELL: You are a man of peace.

Mr. PROULX: The home is sacred and no cause for dissension or quarrelling should be introduced into it. Often per-

sons who marry entertain opposite political views and controversy may arise, but in the case of widows and spinsters there would be no danger of that. Parliament and the provincial legislatures may enact laws affecting the property and civil rights of women, and I think they should have the right to exercise the franchise. At one time the franchise was limited to a certain class of persons who had to own property assessed for a certain amount; but when this Parliament accepted the provincial franchise in 1898, that was done away with. In Ontario the provincial franchise is very wide, including every British subject of twenty-one years of age. Now, as men in all countries have always held a higher place than women, the privileges can still be given to men and not extended to women. There may be some agitation in some of the provinces for female suffrage, but I do not know that it is very wide in the province of Ontario, and I have never heard of any agitation in my county. I, one time, was at a meeting of the Ontario Liberal Association and a lady who was supposed to be the president of the Women's Suffrage Association at Toronto wanted to have the privilege of addressing the meeting. We gave her that privilege and, after she had addressed us, I asked her whether, if we adopted her programme, she would work for the Liberal party. Well, she told us that women should not have any party. Now, if the women have not decided what party they belong to, or if they do not belong to any party, I do not think it will be of much use to grant them the franchise. Some years ago I read a speech delivered by Mr. Justice Longley, of Nova Scotia, in which he admitted the great influence that women exercised over the affairs of our country. We all know from history that women have always played great parts in the ruling of various countries; we have all read of the great ladies of France and England; we have heard of petticoat governments; that is, of governments ruled by the influence of women, but Mr. Justice Longley said that he had never seen a woman very anxious for the franchise unless she had lost all confidence in her charms. I believe that, although women are denied the right to cast their vote, many men deposit their ballots according to the will of their wives, and that women, if they so desire, can exert a great influence in the election of members of this House as well as of members of the different provincial legislatures. I do not want to detain the House any longer, but if this resolution comes to a vote, I am afraid I shall have to record my vote against it.

Mr. MICHAEL CLARK (Red Deer): Mr. Speaker, I regret that I was not in the House when my hon. friend from St. John (Mr. Pugsley) proposed his motion, but I have gathered that his proposition is one that would lead to the gradual substitution of the vivacity of women in the affairs of the state for what is usually the crass stupidity of men, the quickness of observation of the female sex for what is the absolute dullness of man, and, if I have rightly gathered the object and purport of the motion, then I now hold with my hon. friend from St. John. I support the motion on very broad grounds. It seems to me that, for the ordinary purposes of the nation, the duties of men and women are pretty equally divided, and it would not be regular nor proper, nor even possible to endeavour to carry on the general purposes of the nation without women. Every one must realize, if he will reflect for a moment, that he had a woman for his mother, and, if he happens to have a daughter, she is a woman also, and he cannot get married without having a woman to help him to the business. The two sexes are really absolutely necessary for carrying on human affairs. A proper appreciation of this elementary fact on the part of my hon. friend from Richmond (Mr. Kyte) would have kept him from delivering what I think was the weakest logic and one of the weakest speeches to which I have ever listened. I have frequently listened to my hon. friend and he always delivers an eloquent speech, and sometimes a comprehensive and logical one, so that I am inclined to be charitable enough to attribute the weakness of his logic in this case to the feebleness of his subject, or to the absolute want of any subject at all.

The greatest political evil that we have in Canada at the present moment is political corruption. I am sure I am right in this, because if I did not know it was so, I was told so by my hon. friend the Minister of Trade and Commerce (Sir George Foster) the other day. I have asked a good many very observant and very knowing people of both sexes what they thought would be woman's attitude towards political corruption. Nine out of ten observers, whose opinion I would value, at once answered: "Oh, you cannot buy an average woman at all to do anything against her will," and

that is just my opinion of the sex, having seen a great deal of them in all the avenues of life that are followed by medical men. Therefore I think that the greatest political evil existing in this country at the present time would almost cease to exist if you had many women taking interest in politics as men do to-day. But perhaps one can best demonstrate the strength of the position of my hon. friend from St. John by looking at a few of the arguments advanced by my hon. friend from Richmond. My hon. friend said, in referring to an argument which I have always thought a very small one, as to a certain number of women being intemperate, that, after all, in enfranchising women we should enfranchise such women, and therefore the case would not be mended as against the fact that there are a certain number of intemperate men at the present time. He said—and I think in saying it he gave away his case—that in enfranchising women we should be dealing with the same class as men belong to, although I admit that he modified his opinion.

I have already said that the strongest argument for woman suffrage is the fact that women do belong to the same great human family that men do. If my hon. friend had extended his observation a little further he would have seen that the restricted application of his argument was wrong, and that the wider application of it absolutely takes the ground from under his own case.

The hon. gentleman said that if woman suffrage were granted we should need to make women policemen. As my hon. friend from Saskatoon (Mr. McCraney) has said, that would not necessarily follow. But I agree with my hon. friend from Saskatoon that if we do make women policemen they would be very efficient ones. I never saw a man so far gone in crime, so very much the worse for liquor, that he would not rather be taken to a cell by a woman than by a man. In fact, the great majority of criminals, unless the most desperate class among them, would accept the gentle leadership of women and make the duties of policemen very much easier than sometimes they are at present.

Then the hon. gentleman said that we should have to be prepared to put women in khaki and send them to the trenches. Why, he misses the whole case that women set up for the vote, the whole case that reformers put up for woman suffrage. Is there a member of this House who does not know that if woman had the vote there would be no trenches and no khaki, in a very short time? They would put an end to war, they would not be such fools as men are; they would take the more rational, elevated path of reason for the settlement of international disputes. Such, at any rate, is the argument of the social reformer. It does not meet the case to say that we should have to dress women in khaki and send them to the trenches after khaki and the trenches had been done away with.

Then my hon. friend had a very eloquent passage about the weakness of woman and the strength of man. There is perhaps no one who can so fully understand the erroneous nature of that argument as a medical man. I recall a story that Max O'Rell used to relate, and which I think he has put in one of his books. He tells of listening to a bunch of men talking about a woman acquaintance of theirs who had to undergo an operation without chloroform, and one of them spoke of her admiringly as having "stood it like a man." There is not a woman who does not know, and there are not many men who do not know, that if she had only stood it like a man she would not have stood it at all like a woman. I have seen many a man go into fits of fear and desperation about an ailment that a woman, if he had consulted her, could have told him meant that there was nothing particular the matter with him. Take it from me, Sir—and in this I speak more dogmatically than I usually speak—that for endurance, for patience, for all the virtues of that kind, no man who knows himself and also knows woman will ever put himself in comparison with a woman for a moment. That is my experience; I give it for what it is worth. And I do not think that any man in this House really disagrees with me.

10 p.m.

My hon. friend admitted that in a great many ways which he did not mention women are the superiors of men. That scarcely seems an argument for the inferiors keeping their superiors out of the vote. I submit for his consideration that that admission of his wrecked another portion of his platform beneath his feet.

The hon. gentleman seemed to argue that women, if given the vote, would vote against prohibition. Well, there is something to be said on both sides of the prohibition question. I am not now discussing the question of prohibition in its restricted sense as applied to the sale of liquor; but on general principles I am very much in favour of freedom, as this House well knows. It is freedom we are fighting for in Europe,

and it is freedom for which men have been willing to lay down their lives throughout all ages of the world's history. So, if a woman has an instinctive or intuitive prejudice against prohibition, even of intoxicating liquors, she has, I say, the mental characteristic possessed by the best men throughout the ages of human history. She possibly has some little sex and domestic reason for being opposed to prohibition—if she be opposed to it, as the hon. gentleman suggests; and I only meet the statement as he makes it. Nothing would terrify a married woman more than the thought that she had to have her husband dangling on her hands, morning, noon and night. Nothing bothers a woman's life more than to have a man of that kind. There are exceptions, of course, but the exceptions only prove the rule. The woman, like the man, likes to have a little time to herself, and it may be a little domestic prejudice that gives her that view of prohibition, if my hon. friend is right, and she really does hold that view.

My hon. friend said he would not like to have the women of Canada turned into the militant suffragettes of Britain. Well, I rather admire the militant suffragettes of Britain from this point of view, that I recollect what men had to do in Britain before they got the vote. I know something about the Chartist movement. I have heard of the massacre of Peterloo, and the riots that men had to betake themselves to before they got the vote. And, after all is said and done, if the women in Great Britain are so determined to have the vote that they have proceeded to certain practices which to the men now comfortably ensconced in their privilege seems reprehensible, I would remind the hon. gentleman and those who think with him that women are only paying to men the sincerest form of flattery by imitating them in this respect, and that they are being met only as entrenched privilege has always met the demands of the people for enfranchisement and the broadening of their rights.

In this connection, the hon. gentleman used an expression which to my mind was distinctly alarming. If he could prove his case, I am sure he would change my position on this subject, and I think he would change the position not only of all the men but of all the women in Canada who think with me on this question. He said that the women would become "bearded Amazons." If he means that literally, and had said only "Amazons," I would not have been so alarmed, but when he spoke of them becoming "bearded Amazons" he seemed to think that one of the results of the extension of the suffrage would be that they would at once proceed to grow beards. If this part of his case could be proven I believe it would change the attitude of every supporter, male or female, on my side of the case. But I do not think that his physiological knowledge would enable him to place the proof in such a shape before us that we should be convinced that he has the correct view of this matter. In the same connection he said that it would interfere with the performance of the functions proper to women. I think that in that he held out a more alarming prospect even than that of the growth of beards on the part of women—that the extension of the suffrage to women would lead to the extinction of the species. I desire to reassure him, when that state of affairs comes about we shall be so near to the millennium that all these questions of suffrage, and prohibition, and the others that occupy our minds will have ceased to interest us. But I think that for the present he need not be alarmed over any such prospects as either the general growth of beards by women or the extinction of the species.

The weakest argument that the hon. gentleman used he used last. He said that my hon. friend from St. John (Mr. Pugsley) was presenting a professed reform which had been rejected in that enlightened country, the United States, for seventy years. My answer to him upon that point would be: Just think of the weakness of any reformer—though I am sure you will never find it in the hon. member for St. John city—who would cease to attack any evil simply because it has been supported for seventy years. If the argument meant anything, it meant that if a political evil is old enough, it should not be interfered with. There is nothing in the way of reform that has not been fought for, not merely for seventy years but for centuries. Why, parliamentary institutions had existed in Britain for hundreds of years before the first Reform Bill, which was passed, as you remember, Mr. Speaker, in 1832. By that Reform Bill, as an elementary knowledge of English history reminds us, boroughs were destroyed where there were only two houses and, in other cases, where were not more than five voters. That state of affairs had existed for the hundreds of years that Britain had parliamentary institutions before the destruction of the rotten boroughs. Would it have been logical, while Macaulay was de-

livering his wonderful speech on the Reform Bill, or when Grey was laying the foundations of the first extension of political liberty in Britain; would it have been logical to go before the British House of Commons and say: You must not attack this evil of restricted franchise; it has existed for centuries? I think my hon. friend will say that that would have been a most illogical position. Reformers have never taken that attitude. For a period of thirty-five years after the first Reform Bill was passed, from 1832 to 1867, the reformers worked for household suffrage in the boroughs of England. In 1867 they got it, from a Tory Government. From 1867 to 1885, a period of nearly twenty years, the workmen in the boroughs had the vote, but the workmen in the counties did not have it. The reformers went on working for the next twenty years, and then the workmen in the counties got it. That was thirty years ago, Mr. Speaker, and they have not manhood suffrage in Britain yet; but manhood suffrage will come by the same patient perseveraance against odds and difficulties and prejudices by which the other extensions of the suffrage came. Woman suffrage may be right or it may be wrong, but it is neither right nor wrong because the United States has refused it for the last seventy years.

From a careful study of the qualities of the sexes, I am persuaded that women have more endurance than men, tnat they see more quickly, that they see further than men, that their moral qualities along other lines are higher than those of men. I am persuaded that when they get an equal voice in public affairs, as they always take very good care to have more than an equal voice—and with our consent—in domestic affairs, I am persuaded that it will be a better world to live in, and that the countries that adopt this reform will be better countries to live in. For that reason, Mr. Speaker, I am in favour of the motion of the hon. member for St. John City.

Mr. J. G. TURRIFF (Assiniboia): As this is a matter, Mr. Speaker, that is of very great interest to the province from which I come, I feel that I should not be doing my duty if I did not express my views on the subject. The question of extending the franchise to women has been discussed for some time in the province of Saskatchewan, where not only the majority of the women, but the majority of the men as well, are in favour of it. We all feel out there that when women get the franchise, there will be a direct advantage all round. Hon. gentlemen who have been through a number of elections will recognize that in the past women have had a great deal of influence in elections. Why, then, should they be debarred from expressing their views at the polls? We would be better if the women had votes. We would have better laws. When the women have votes they will be not so partisan as the men; they will vote for good candidates; they will advocate desirable reforms. In all matters pertaining to moral issues and to the advantage of the home the great majority of woman voters will be on the right side of the question, no matter how the men may vote.

The hon. member for Richmond (Mr. G. W. Kyte) said that you do not find women on bank directorates; you do not find them taking a large part in the commercial affairs of the country. Why has that been, Mr. Speaker? Simply because for centuries past, owing to the law of custom, women have not been allowed to occupy these positions. But in these days I think he would be a courageous man who would say that in any of these walks of life women are not just about as capable as men are. Look at the number of women who succeed in business. Throughout the West large numbers of women run farms, and run them well. I know of cases where men have died, leaving their farms, with, perhaps, a good deal of debt as well, to their families. In many cases of this kind the widows have made greater successes of the work than their husbands did.

The hon. member for Richmond pointed out that laws which were unfair to the women had been remedied by the men. I direct his attention to the fact that, in many provinces of Canada to-day, laws unfair to the women are still in force. If the women had the franchise these matters would be remedied. The fact that a few militant suffragettes in England have gone to extremes is no argument against giving women the vote. I venture to say that for one woman who has been extreme, or who has made a fool of herself in the matter of proposed action to bring about woman suffrage in England, ten, twenty or fifty men would be just as foolish under similar circumstances. The province of Manitoba has granted woman suffrage. The Government of the province of Alberta have announced that legislation will be passed this session giving the franchise to women. As the hon. member for Saskatchewan (Mr. McCraney) has pointed out, the Saskatchewan Government has promised to bring

down at this session legislation granting the vote to women. I can assure you, Mr. Speaker, that if the other provinces will follow the line of the three Prairie Provinces in that respect, they will not go very far wrong, and their action will tend to the general advantage of the whole of Canada.

Mr. E. W. NESBITT (North Oxford): I think that some irregularity might result from giving the franchise to women, in provinces where they already have the right to vote in provincial elections. Throughout the Dominion we have pretty much the same kind of voting in all the provinces; it is nearly all based upon the principle of manhood suffrage. This condition results in the vote being equalized throughout the Dominion; if this resolution should become law, however, some inequalities would exist.

I am not one of those who had to wait for the war, as the hon. member for Saskatchewan evidently did, to find out that women are equal to men in business as well as in other respects. My experience is that, so far as business is concerned, women are quite equal to men. I would just as lief have women on a board of directors as men. I am not making any reflection on the ability of the men, but I am in dead earnest when I say that, so far as my experience goes in business matters, women have just as much ability as men have.

As to their other qualities, we all know them. Women are the salvation of humanity. Were it not for the influence for good that women exert over men, we would be a fine bunch. As to the argument that the granting of the vote would change them, I doubt that. As a matter of fact, women are a power behind the Throne, and they exert a great deal of influence on elections, as we all know. There are few men who are not influenced more or less for good by women. The finer instincts of men are due, I think, to the influence of their mothers, and when a man grows up he derives the best kind of influence from the women who surround him. If a man has a mother and sisters, even when he comes to my age, their influence over him is certainly good. Therefore, I think their influence upon politics would be equally good. In all probability this resolution will not go much further to-night, but I see a difficulty in this that the women in one province would have votes while those in another province would have no votes. That does not seem to me to be putting them on an equality. As for the argument that if we give women the right to vote, we must give them the right to sit in Parliament, I can only say that that would be no hazard for me. I would be very glad to welcome my sisters in Parliament if they wished to sit here and were elected. I assure you they would elevate the tone of Parliament. Outside of the question of inequality in the franchise throughout the different provinces, I am certainly in favour of giving women the franchise, but I would not like to force it upon any woman who does not want it. I do not agree that women should be given the right to vote even if they did not exercise it. It is one of the drawbacks of our electoral system, that a great many men do not vote. That is one of the reasons why there is so much corruption in elections; they do not vote, or they vote during the last hour. I do not believe in passing laws that will not be lived up to, and I do not agree with my hon. friend from Saskatoon (Mr. McCraney). If the women of this country demand the right to vote, by all means give it to them, they are perfectly capable of exercising it but if they do not want to vote, and they will not vote, then by no means give it to them.

Mr. PUGSLEY: Might I ask my hon. friend if in connection with the difficulty that is in his mind as to equalizing the vote in the different provinces he has kept in view the fact that each province has a fixed representation in this Parliament dependent on its entire population?

Mr. NESBITT: It might not alter the representation of the provinces, but my hon. friend can easily see what I mean, that in one province the women would have the right to vote, while in another province only the men would have the vote, so that they would have a double franchise in one province, and only a single franchise in another.

Mr. McCRANEY: They would have the same representation.

Mr. NESBITT: Suppose we went further and gave them representation according to the votes.

Mr. PUGSLEY: The British North America Act assures that.

Mr. E. M. MACDONALD (Pictou): Mr. Speaker, it seems to me that this question is one of sufficient importance to entitle us to expect that some hon. gentlemen on the Government side of the House will indicate the attitude of the Government with regard to it. The matter has not been brought

forward as a party question in any sense, and the discussion has extended over a very wide range. The proposition submitted in the resolution of my hon. friend (Mr. Pugsley) does not necessarily involve a discussion of the wider question; it merely raises the point as to whether or not this Parliament should recognize a change in the franchise as might be brought about in the different provinces of the Dominion, in the direction of permitting women to vote. The views of hon. gentlemen who have spoken have varied as to the wisdom of such a change, and the discussion has been entirely apart from any political differences that exist in the House. As my hon. friend from St. John pointed out, the change is only imminent. Already, in one of the provinces, the franchise has been made sufficiently broad to permit the women to vote, and two other provinces are on the point of granting the same privilege. These provinces are in the West, and it has been urged by some hon. gentlemen who have spoken to-night that the conditions in those provinces are peculiar, that they are such that it is only natural and proper that the women should have the franchise. The question is whether or not we in this Parliament should recognize the view which has been adopted by those provinces in regard to this question, and I think the proposition is sufficiently important to justify some pronouncement on the part of the Government as to their attitude.

Hon. ROBERT ROGERS (Minister of Public Works): The hon. gentleman (Mr. Macdonald) has suggested that some reference should be made on this side of the House as to the attitude which the Government takes in respect to the question under discussion. If I could believe that my hon. friend who moved the resolution was quite sincere in presenting it to this House, I would be disposed to discuss it from a somewhat different viewpoint.

The hon. gentleman started out by telling the House that it was his privilege thirty years ago, when seeking election in a constituency in New Brunswick, to advance this same proposal of votes for women. But, strange to say, although my hon. friend from St. John has had ample opportunity, in his native province, from that time on, to secure the enactment of such legislation as would give the women of that province the right to exercise their franchise, which he is proposing here this evening for another province, he has not availed himself of that privilege. My hon. friend from Pictou has

apparently a doubt also whether this legislation should be extended to one particular province and not to all the provinces of Canada. When I suggested to my hon. friend from St. John that we amend his motion so as to provide for the extension of the privilege to the women in all the provinces of Canada he was not disposed to acquiesce in that proposal. I submit that if my hon. friend was sincere in the proposal which he has made he would have adopted this suggestion and then this House would have had something before it to consider in a tangible manner, and something that we would have reason to give very serious consideration to. It has been suggested that the proposed resolution should be confined simply to one particular province which has already adopted the principal of woman suffrage—the province of Manitoba—and that it might be extended to any other province that might follow Manitoba's example later on. The question is whether this Parliament should adopt a principle of a limited character or whether it should go the full length and adopt the principle of extending woman suffrage to all the provinces of Canada as well as to the individual provinces that might adopt it.

I am sure we all agree with the principle of equal rights to all the provinces. My hon. friend who sat down a few moments ago raised that particular question. I think he was quite right in saying that if we are to have woman suffrage in any one particular province we should have it in all the provinces of Canada. If the hon. member for St. John would amend his motion I would be disposed for one to give it consideration and to support a resolution by this House to extend the franchise to women in all parts of Canada.

Mr. PUGSLEY: How would my hon. friend reconcile that with the statement which the right hon. the Prime Minister (Sir Robert Borden) is reported to have made that this Parliament would not interfere with the provincial franchise, but that the question must be left to the provinces to deal with?

Mr. ROGERS: We would not at all be interfering with the provincial franchise. Each province has the right to make its own franchise. If we extend the franchise we shall be extending it to all parts of Canada alike. I do not see that we would in any way be interfering with the provincial franchise, because it would apply to all the

provinces of Canada. We have a right in this Parliament to grant that extension if we so wish. It is true, in view, as has been stated here this evening, of the part that our ladies have taken in the recent war, that they are entitled, if for no other reason, to full consideration and to all the rights that it is possible to extend to them in the matter of their franchise. That would be, therefore, a very powerful reason why this question should receive serious consideration at the hands of the members of this House.

As far as the franchise in the province of Saskatchewan is concerned, I would like to say that in the last local election certain women were allowed to exercise their franchise, although there was no law of the province to enable them to do so. However, they were allowed that right, and they did really in certain places cast their votes.

Mr. McCRANEY: I would like the hon. gentleman to tell me what riding he is referring to. I have never heard of any such incident.

Mr. TURRIFF: Neither have I.

Mr. ROGERS: I do not remember the particular riding but I remember the fact that ladies voted in certain parts of the province. I have the evidence to substantiate that statement, and I shall be glad to supply my hon. friend with sworn declaraion of a scrutineer and naming the ladies who voted in that particular province in the election of 1912.

Mr. McCRANEY: I would ask the minister to lay the declarations on the Table if he will.

Mr. ROGERS: I shall be very glad to do that, and I shall be very glad to present the House with that sample of the elastic manner in which the franchise of Saskatchewan was exercised in the election of 1912. At the same time, in that province, before the election, they removed that portion of the Act which provided that it was necessary for a man to be a British subject in order to vote at the election. It is true that some hon. gentlemen on the other side of the House told us that that had been rectified later on. It was rectified but not until after the election was over, and in the event that there would be a Dominion election, it would be necessary for a man to be a British subject before he would be entitled to exercise the franchise in that province. We have no guarantee that the same province will not change the Act before the next general election thus repeating that which was done before the last election. It is their privilege, of course, if they desire to carry out their election law in that manner.

I do not believe it would be in the interest of the women of Manitoba, to have the franchise unless it were extended to all the provinces, and if my hon. friend had, as I suggested, amended his resolution to that extent, I would have been disposed to have supported him. But, in view of the fact that he has not done this, I will have to record my vote against his resolution and I will ask the members on this side to do likewise.

Mr. E. B. DEVLIN (Wright): Mr. Speaker, I want to say a word in favour of the resolution of my hon. friend from St. John (Mr. Pugsley). I shall content myself with saying that I shall be in favour of the resolution and until reasons are shown to me why the ladies should not be free in this country as well as the men, I mean to support all similar resolutions. I can hardly agree with my hon. friend the Minister of Public Works (Mr. Rogers). His contention is that only a half loaf is offered to the ladies and that because they are not offered a whole loaf he is going to refuse them the half loaf. That is poor logic and I hardly think it will satisfy the ladies of this Dominion. I have a feeling that our ladies in Canada are thoroughly satisfied with the manner in which the men carry on the affairs of the country, but there is a desire that they should enjoy the same freedom and liberty as the men do. I therefore support the resolution of the hon. member for St. John.

Sir ROBERT BORDEN: My hon. friend from St. John (Mr. Pugsley), I believe, has alluded to some answer to a delegation which he stated I had given a year or two ago. Am I correct in that?

Mr. PUGSLEY: I do not think it was a year and a half ago—some months ago.

Sir ROBERT BORDEN: I have not received any delegation on the subject for a year and a half at least. I did in 1912, when in Great Britain, receive a delegation of ladies there; I think, in fact, there were two delegations, one supporting the idea that women should be invested with the franchise and the other opposing it. In the same year, 1912, I received. I believe, a delegation of ladies in Toronto, but I am not aware of having done so on any other

occasion. In regard to the delegation in Great Britain, I ventured, to say that I thought, in view of certain statements which were made, that the women of Canada were quite capable of looking after their own interests in such matters, and that the ladies of Great Britain would not require to interest themselves particularly in the matter in so far as this country was concerned.

My hon. friend refers, I understand, to the answer I gave to that delegation. The answer I gave, as I recollect, was that, under the system which had prevailed in this country from 1897 or 1898, the Federal franchise had been made to depend on the franchises of the several provinces; that persons entitled to vote at provincial elections were entitled to vote at Federal elections; and I suggested to them that probably the ladies of Canada would find it desirable, in the first place, to address themselves to the provincial authorities. And I said, that until we departed from that system of having the franchise for Federal affairs dependent upon the franchises in the several provinces, such would be the proper course for them to take.

My hon. friend (Mr. Pugsley) has perhaps raised some considerations this evening which might make it desirable for us to take the whole question of the Federal franchise into consideration, and I do intend to take it into consideration in view of what the hon. gentleman has stated. When that question is so taken into consideration, the enfranchisement of women must be considered, not in relation to any individual province or provinces in Canada, but from the standpoint of the whole Dominion. We shall then be prepared to come to the House if necessary, with proposals based upon a wider conception of the matter than that which has impressed itself upon my hon. friend in proposing his motion. It would seem to be quite undesirable that we should be responsible for any enactment by which the women in one province of Canada should have the right to vote in Federal elections, and the women in other provinces should not have that right. Upon reflection, hon. gentlemen must come to the conclusion that such a result, which is apparently desired by the hon. gentleman (Mr. Pugsley) would not commend itself to the good sense of the members of the House, or to the good sense of the women of Canada. Therefore, it does not seem to me that the motion of the hon. gentleman, which has in view the granting of the Federal franchise to women in some provinces of Canada and the withholding of it from women in other provinces, ought to commend itself to the good sense or the good judgment of the House. For my part, and reserving my right of judgment on the wider question, which is one of very great importance and which I shall be prepared to discuss at the proper time, I venture to submit that the proposal of the hon. gentleman ought not to command the support of hon. members, for the reason that, as regards the right to vote of one half the proposed electorate, it would create a discrimination in the franchise, as between the various provinces of Canada.

Mr. PUGSLEY: I could not help admiring the ingenuity of the Minister of Public Works when he suggested that I amend my resolution, and that if I did not amend it he would not only oppose it himself, but he would call upon all his supporters to oppose it. In other words, on a simple question, introduced not as a party question at all but introduced for the purpose of giving to the members of the House the independent right to express their opinions upon the question in regard to which gentlemen on each side of the House are divided in opinion, my hon. friend saw fit to demand of his supporters that they shall sink their individual opinions and shall maintain the Government in its refusal to support this motion. Did you ever see in this House a more sorry spectacle? I could have understood such a course upon the question of supporting these wonderful tariff proposals which my honourable friend the Minister of Finance has submitted to tax the people of this country, when it might be necessary that the Government should push the measure through in order to carry out their policy, that the Government might appeal to their supporters to sink their individual opinions and vote from a party standpoint. But upon this simple question of doing justice to the women of this country, in regard to which we all may have our own opinions, in regard to which we may differ, it passes my comprehension that the Government should make it a party question and demand that its supporters, as party slaves, should obey the crack of the party whip and vote down this motion. I cannot understand what the Minister of Public Works is thinking about in making such a suggestion.

I am glad that I did not misunder-

stand or misquote the Prime Minister as to the interview he gave the ladies who aproached him on the question of woman suffrage. My right hon friend admits that he told those ladies that they had better go and address the Governments of the provinces and get them to promote legislation granting woman suffrage. What was the inference which these ladies had a right to draw from the statement of my right hon. friend? Was it not that if any province enacted legislation giving women the right to vote for the Legislature they would also, as a matter of course, be granted the right to vote for the Dominion Parliament? In other words, that for some 19 years this Parliament had pursued the course of going entirely by the views of the Provincial Legislatures with regard to the franchise, and this Government did not propose to depart from that principle. My right hon. friend says, in effect: When I told the ladies that, I meant that they must get the views of the Legislatures of all the provinces so that we would have uniformity; in other words, in effect, I told them that they must go out to the council of the Yukon, away in the Yukon territory, and get that council to introduce a resolution providing for female suffrage. I do not think my right hon. friend, with all his tact and diplomacy, with that courtesy which he would be sure to show to the ladies, intended for a single moment that they would think that that was what he meant. I think the fair inference was that, if any province chose to adopt female suffrage, it would result in the women of that province having also the right to vote in the Dominion elections. Now, my right hon. friend tells a different story: he says that by reason of my presenting this evening certain considerations with regard to female suffrage, there may devolve upon the Government the whole burden of recasting the federal franchise system, and of considering whether or not they will introduce a federal franchise law applicable to the whole Dominion, and do away with the system of provincial franchise which has been in vogue with complete satisfaction in this country for the past nineteen years. I must truly be a most remarkable man—

Sir ROBERT BORDEN: You are.

Mr. PUGSLEY: —and this must be a most remarkable question which I have presented to the attention of the Government; one so important that the Minister of Public Works wishes his party to vote it down, and that my right hon. friend thinks it is going to cause the repeal of the whole system under which the elections have been held for the past nineteen years, and that the Government must take up the responsibility and labour of evolving a new franchise Act for the purpose of carrying into effect the ideas which I venture to propound this evening in presenting this simple resolution, which might so easily and with such great advantage be adopted by the House.

Now, just a word in answer to my hon. friend the member from North Oxford (Mr. Nesbitt), who said that the only objection he had to the resolution was that it would prevent an equality in the electorate of the different provinces. That would not make any difference, as between the representation of the different provinces, because, under the British North America Act that representation is based entirely upon population, and in any province, if there were ten times as many women as there are men, there would still be the same representation according to population. If ladies were allowed to vote in any one province, only between the people of that province would it make any difference, the number of representatives would remain the same; but a great deal might depend on the quality of the candidate who might be chosen by the people, because the women, if allowed to vote, might prefer one candidate to another, and they might succeed in electing a candidate who might not have been elected if men alone had the vote.

My right hon. friend says that there would be a difference in the franchise upon which the elections were held. That is the case to-day. In some provinces there is manhood suffrage, all men over twenty-one years of age having the right to vote if they have resided in a district for a very few months, whereas in other provinces no man has a right to vote unless he owns four or five hundred dollars worth of real estate or personal property, or has an income to that amount.

Mr. HANNA: What province is that?

Mr. PUGSLEY: I think the province of Prince Edward Island. The hon. member for Richmond (Mr. Kyte) says that there is a property franchise in Nova Scotia. That must exclude many thousands in that province from voting.

Sir ROBERT BORDEN: Practically a manhood franchise.

Mr. PUGSLEY: I am told not.

Sir ROBERT BORDEN: An income franchise.

Mr. PUGSLEY: I am told not; but suppose it were different, what is to hinder any province from going back to property franchise? What is to hinder any province from disfranchising thousands of men who in other provinces would be entitled to vote? Nothing at all. Therefore there is nothing in that argument. If this Parliament chooses to adopt the provincial franchise, to allow an election to take place on the provincial lists, I see no inconvenience and no difficulty whatever, in any province in which women are allowed to vote for members of the Provincial Legislature, being allowed the right to vote for members of Parliament. It must be borne in mind that this resolution merely proposes:

> That, in the opinion of this House, it is desirable that the Government should promote legislation to amend the Dominion Elections Act, so as to provide that upon any province of Canada enacting legislation giving women the right to vote for members of the Provincial Legislature, such women as are on the provincial voters' lists, or as are otherwise entitled to vote for members of the legislature in such province, shall also, unless otherwise disqualified, have the right to vote at elections for members of this House.

If in the course of time the other provinces of Canada should follow the example of Manitoba, Saskatchewan, and Alberta, then women throughout Canada would be allowed to vote; but so long as we act upon the provincial franchise and use the provincial lists, then with no degree of justice or fair play can we refuse to allow women whose names are on the provincial lists also to cast their vote for the members of the House of Commons. When I made my first observations in support of the resolution I did not think it necessary to present arguments in favour of the general principle of giving women the right to vote; but if any such arguments were needed to support such a proposition such arguments were afforded by the speeches made by my hon. friend from Red Deer (Mr. Michael Clark), my hon. friend from Saskatoon (Mr. McCraney) and my hon. friend from Assiniboia (Mr. Turriff). Their arguments were unanswerable, and to any fair-minded man they should have been convincing in favour of passing this resolution. My hon. friend the Minister of Public Works (Mr. Rogers), and my right hon. friend the Prime Minister need not pretend to the women of this country that they are in favour of woman suffrage; they need not think for a single moment that they can keep this thing hanging before the women of this country for years and make them believe that at some distant date, some time after the next election, in case the women should be foolish enough to give the Government their support, they will be willing to introduce a general franchise Act in which they will give women the right to vote.

Mr. ROGERS: That was your policy thirty years ago.

Mr. PUGSLEY: To-day in the three Prairie Provinces, with a population of about 1,500,000, or one-fifth of the entire population of Canada, there is the opportunity of giving women the right which they are demanding to-day, that is, to vote for members of this Parliament at the same time that they are given the right to vote for members of the legislatures of the three provinces.

Mr. DAVIDSON: Does the hon. member think that the women of Manitoba have any better right to vote than the women of New Brunswick?

Mr. PUGSLEY: Not at all, but the women of New Brunswick and the men of New Brunswick can follow the example of Manitoba, and Saskatchewan, and Alberta, and secure the franchise in elections to the provincial legislature, and when they secure that, if my resolution is adopted, it will result immediately in their having the right to vote for members of this Parliament. If the men of the provinces are agreeable, that is the way in which the women of Canada will secure the right to vote for members of this House. Notwithstanding the fact that the Government is going to ask its supporters to vote down this resolution, I am proud to have the honour of moving it and of presenting it for the vote of the members of this House; I am glad that we are pressed to a vote, and that the members are to stand up and say whether or not they are in favour of granting to the women of Canada this small measure of justice.

Motion of Mr. Pugsley negatived on division.

PRIVILEGE.

THE BILINGUAL QUESTION.

Mr. G. H. BOIVIN (Shefford): Mr. Speaker, I rise to a question of privilege.

I desire to refer to the report of a recruiting meeting which I had the honour of addressing last night at Massey Hall in the city of Toronto. I find in this morning's Montreal Gazette a very fair and very complete report of that meeting, with one exception. There is one sentence in the report which gives it an altogether different meaning, and I deem it my duty to correct the mistaken impression at the earliest opportunity. In that report, I am made to say, in speaking of the bilingual question:

> Why should they talk like that? Are there any difficulties to settle?

That is far from what I said. The exact words are:

> Why should there be difficulties to settle?

Which puts altogether a different meaning upon the whole report. The Toronto Globe, in a more lengthy report, after placing in my mouth the same question, gives my exact words. I followed up the statement. "Why should there be any difficulties to settle?" with the words:

> I have met many people from all parts of the Dominion, and I am absolutely sure that there is not one man who is not perfectly willing that the French-Canadian people should be allowed to have their children learn French if they so desire, and to-night I tell you that there is not one French-Canadien who is not anxious to have his child or children taught to speak and understand the English language as I do.

The reports of La Patrie, the World and the Mail and Empire, as well as that sent to other papers by the Canadian Press Service are substantially correct.

I did blame Bourassa and Lavergne in Toronto. I did not blame them for having been the cause of the bilingual trouble in Ottawa; I blamed Bourassa and Lavergne in Toronto as I would blame them in this House, and as I would blame them in any part of the province of Quebec, for having used the bilingual trouble in Ottawa or elsewhere in Ontario as an argument against recruiting in the province of Quebec. That is why I blamed them in Toronto, and that is why I will blame them at every possible opportunity in my own province. To-night I find in Le Devoir an article addressed to myself. It certainly does me too much honour. It is signed by one of the writers in Le Devoir, Mr. Omer Heroux. Before waiting even to see the Toronto papers, basing himself entirely upon the report of the meeting wired to the Gazette, he wrote a strong editorial concerning the statement attributed to me in Toronto last night. I am well aware of the difficulties in Ottawa. I am very sorry those difficulties should exist; there is no reason why they should. I wish to correct the statement attributed to me; and I feel sure, knowing the honesty and integrity of Mr. Heroux, that he will correct the mistaken impression he has given respecting my statement. If he wishes to repeat exactly what I said, he will say that I blamed the editor of his paper, Mr. Bourassa and Mr. Armand Lavergne for using the bilingual question as an argument against recruiting in the good old province of Quebec.

On motion of Sir Robert Borden the House adjourned at 11.05 p.m.

Tuesday, February 29, 1916.

The House met at Three o'clock, the Speaker in the Chair.

DEPARTMENT OF EXTERNAL AFFAIRS.

Sir ROBERT BORDEN: Mr. Speaker, may I make a statement to the House on behalf of the Under Secretary of State for External Affairs in connection with some criticism of the report of the department which appeared in the press? The statement is as follows:

> The passport requirements of foreign countries is an appendix to the report, and is an exact transcription of a similar statement in the Foreign Office list for 1915. It does not relate to any regulation of ours. It is, as it purports to be, a record of what foreign countries normally require in the matter of passports.
>
> It is only in a technical sense here for the information of the public, as the report is nearly a year old when published, and we provide all people seeking passports with up-to-date information concerning them. It might perhaps have been well to have inserted a note to this table saying that passports were not issued to enemy countries during the war, but the fact being so obvious, and the Foreign Office not considering such a precaution necessary, led the clerk who made up these appendices to take the same view.

TRANSPORTATION OF GRAIN.

RAILWAY ACT AMENDMENT.

Hon. J. D. REID (Acting Minister of Railways) moved for leave to introduce Bill No. 47 to amend the Railway Act. He said: This is a Bill which the chairman of the Railway Commission has requested me to introduce, and which he recommends to the consideration of the House. It is applicable particularly to the western provinces. As hon. members know, we had a very large crop in the West last year, and in certain portions of the country the railway lines are having a great deal of difficulty in moving it. Along some branch

lines large quantities of grain are still lying in the fields, and the railways are unable to move it before the spring rains come on. A great deal of it will be damaged unless some prompt action is taken. This Bill empowers the Railway Commission to order any railway company on whose lines grain is located to use its equipment to rush that grain to the nearest elevator, and then to order another railway company to take the grain from the elevator to Fort William. The commission may thus use two railway systems to ensure the early removal of the grain. At present the one railway has to take it from the point where it may happen to be, in Alberta or Saskatchewan, all the way down to lake Superior, whereas the equipment of the company is not sufficient to enable it to take all the grain before spring. Compelling one railway to use its equipment for the short haul to the nearest elevator, and the other railway to take it from the elevator to lake Superior, will very much expedite the removal of the grain from the fields where it is now exposed to weather conditions. This, it is expected, will greatly help the farmers of the West.

Motion agreed to, and Bill read the first time

PRIVATE BILLS INTRODUCED.

Mr. BLAIN moved for leave to introduce Bill No. 39, (from the Senate), respecting the Governing Council of the Salvation Army in Canada, and to change the name thereof to The Governing Council of the Salvation Army, Canada East.

Some HON. MEMBERS: Explain.

Mr. SPEAKER: It is not customary for an explanation to be given when a Senate Bill is introduced in the House of Commons (reading):

> When any Bill is presented by a member, in pursuance of an Order of the House, or is brought from the Senate, the question, "That this Bill be now read a first time," shall be decided without amendment or debate.

If it is the desire of the House to have an explanation, I have no objection at all.

Mr. MACDONALD: I hardly agree with your Honour. A Senate Bill may not be debatable when introduced here, but surely it can be explained.

Mr. SPEAKER: No doubt the House is entitled to an explanation, but I am told that it is not customary to explain Senate Bills when introducing them in this House.

Sir ROBERT BORDEN: When a Bill is introduced in this House the explanation is made on the introduction, and there is no debate on the first reading. If the hon. gentleman desires an explanation I have no doubt it can be given.

Mr. MACDONALD: I just rose to say that I did not agree with the Speaker's ruling.

Motion agreed to, and Bill read the first time.

Bill No. 46, respecting the Algoma Central and Hudson Bay Railway Company.—Mr. Boyce.

Bill No. 42, for the relief of Robert Napper.—Mr. Buchanan.

Bill No. 43, for the relief of Sherwood Norman Hill.—Mr. Douglas.

Bill No. 44, for the relief of Ida May Woltz.—Mr. Boys.

Bill No. 45, for the relief of Cecily Ethel Maude Farera.—Mr. Buchanan.

BUSINESS OF THE HOUSE.

WEDNESDAY SITTINGS.

Sir ROBERT BORDEN moved:

> That on Wednesday, the first day of March next, and subsequent Wednesdays to the end of the session, the House will meet at three o'clock p.m., and that the sittings on such days shall in every respect be under the same rules provided for other days; and that on said Wednesdays, Government notices of motions and Government orders shall have precedence after questions and notice of motions for production of papers.

He said: This motion is made at a considerably later date than was the case last year. Last year, the House met on the 4th of February. On the 16th of February I moved that the Government take Wednesdays and Thursdays, and the motion was accepted on February 25, or just three weeks after the session opened. We have now reached the seventh week of this session, and I therefore ask the House to adopt the motion making Wednesday a Government day from now to the end of the session.

Sir WILFRID LAURIER: I am reminded by some friends around me that next Wednesday week is Ash Wednesday, and that if this motion carries there will be no more private members' days this session. I therefore suggest that the motion be amended so that we have to-morrow as a private members' day.

Sir ROBERT BORDEN: If my right hon. friend particularly desires it, I am willing to consent, but I would point out that when we were discussing this matter last

year, my right hon. friend himself laid down what had been the practice in the past, namely, that at about the sixth week of the session Wednesday is taken as a Government day. We have gone a week beyond that this year, and I therefore thought the motion would be accepted. We have not only greatly extended the time beyond last year, but beyond the period during which Wednesday is taken in an ordinary session.

Mr. MACDONALD: I should like to point out that the burning of the Parliament House destroyed a great many papers relating to matters which hon gentlemen on this side desired to bring before the House. I have no desire to prolong the session, but I think we could clear these matters off if we were given one more private members' day.

Sir ROBERT BORDEN: The burning of the Parliament Building, whatever else it may have accomplished, does not seem to have resulted in any curtailment of the time usually occupied on public questions. We have really had only two questions under debate this session: the debate on the Address, and the debate on the Budget. In six weeks we have consumed about five thousand columns of Hansard in debating these two subjects, and we are not through with the Budget debate. However, if my hon. friends opposite are very anxious to have to-morrow, I am agreeable.

Sir WILFRID LAURIER: We have no objection to sitting at three o'clock to-morrow, but should like it to be a private members' day.

Sir ROBERT BORDEN: What my right hon. friend proposes is that to-morrow the House shall meet at three o'clock and sit in the evening, but that it shall be a private member's day, and that after to-morrow Government Orders shall have precedence on Wednesdays?

Sir WILFRID LAURIER: Yes.

Motion, as amended, agreed to.

QUEBEC JUDICIAL APPOINTMENTS.

On the Orders of the Day:

Mr. LEMIEUX: In all sincerity, might I ask my hon. friend the Minister of Justice if any appointment is to be made to the bench of Montreal?

Mr. DOHERTY: The only vacancies existing in Quebec have been filled.

Sir WILFRID LAURIER: Who are the appointees?

Mr. DOHERTY: Mr. L. J. Alfred Désy, K.C., of Three Rivers, and Mr. Victor Allard, K.C., of Berthier, in Montreal.

Mr. LEMIEUX: Were the appointments made to-day?

Mr. DOHERTY: They were approved to-day.

THE BUDGET.

Consideration of the proposed motion of Sir Thomas White (Minister of Finance) for the Committee of Ways and Means, resumed from Friday, February 25.

Hon. FRANK OLIVER (Edmonton): Mr. Speaker, the discussion of the Budget has been carried on at very considerable length, and in order that it may not become too wearisome, I desire to deal with it to-day from a somewhat different angle—to consider rather the condition of the country than that of the treasury, and the effect of the Government's administration, past, present, and prospective, upon that condition.

I have heard it said in this House upon former occasions that the condition of the country was something beyond the control of the Government; that, as a matter of fact, good times came and went by reason of conditions over which no Government had control; that our conditions in Canada were affected by conditions in other countries; and that if and when conditions were not favourable to the citizens of Canada, the reason was because of conditions elsewhere, rather than because of anything in the administration of our own affairs. However much truth there may be in the contention that we are affected by our environment as a country—and no one will contend that we are not, any more than one can successfully contend that a citizen is not influenced by his environment—still it is a fact that the fortunes of the citizen are largely the result of his own wise direction; and so with the fortunes of a country. The Government of a country, being charged with the disposition of its affairs, is necessarily in large measure responsible for the conditions prevailing in that country. It must, of course, be admitted that a Government cannot compel good crops, nor can it control demand for products in other countries, but a Government can take advantage of a condition of good crops, and it can enable its people to get the benefit of a demand for their products in other coun-

tries, thereby bringing to its people an advantage which would not exist did not the Government use wise direction in these matters. If it is a fact that the well-being of our country is not in large measure under the direction of our Government, then we are spending an enormous amount of time and wasting an enormous amount of money in carrying on representative Government, because the whole purpose of parliamentary or representative Government is that all parts of the country, and all interests in the country, shall be represented in the councils of the nation, with the view that those in charge of affairs shall give them the best direction in the interest of the people. If ever conditions were favourable in any country, and best calculated to produce prosperity amongst the people, those conditions exist in and surround Canada at the present time. There is at present in progress, as has been said by every speaker, and as, of course, is borne in upon the mind of every citizen, an immense, stupendous and terrible war; and whilst every one must deplore that war, every one must admit that, while it does exist, there is a demand for industry and the results of industry both in the field and in the factory, such as never existed, was never heard of, and was never before dreamed of in this hemisphere.

At the same time, we are compelled to realize that although these favourable conditions exist the results to our people are not at all proportionate; we are not to-day in Canada enjoying that measure of prosperity that the conditions certainly entitle us to. I read in a newspaper the other day that in the city of Toronto there are 9,000 vacant houses, and in the great buildings on the principal streets of that city offices are to let by the hundreds. In this city of Ottawa, the capital of the Dominion, where is concentrated all the vast and special expenditure of Government, there are closing-out sales on Sparks street to a degree that has not been known for many years. What is true here in the capital of the Dominion and in the great city of Toronto is true in other parts of Canada. I am not familiar with the whole country, but I am terribly aware that throughout a very large part of the country the condition of prosperity that should naturally result from the enormous expenditures that are being made and the phenomenal production of the soil is not at present being realized.

I read a little time ago a history of Canada. The author laid some stress upon the conditions existing in those periods when this or the neighbouring country was involved in war. The war of 1812, he said, produced an era of tremendous prosperity in Canada as it then was. Those old enough to remember know that the Crimean war produced a most remarkable boom throughout eastern Canada—certainly throughout the province of Ontario; every one knows that the American Civil war produced very favourable financial conditions in Canada; and even the Boer war had a favourable effect upon our financial conditions. The historian commented upon this succession of events by saying that it was so thoroughly recognized in Canada that war meant good times that it was, in the province of Ontario, jocularly suggested that there should be interpolated in the Litany a prayer "for a bountiful harvest and a bloody war." Well, we have had the most bountiful harvest that this country ever saw, as bountiful a harvest as it can ever expect to see; and we are engaged in the bloodiest war in all history, with expenditures being made in respect of that war such as never were dreamed of. Yet to-day we have houses vacant, and business places tenantless, and our country, instead of enjoying the high tide of prosperity, is, at the most that can be claimed for it, holding its own.

This is a condition that we are entitled to consider. For if, with that magnificent crop and with these stupendous expenditures that we ourselves are making in support of our part in this war and the still more stupendous expenditure being made in our midst by Great Britain and her Allies,—I say, if, under these circumstances, we secure no better results than we have at the present time, what are we to look forward to when these vast expenditures cease to be made, and when we possibly have to face a crop less favourable than that of last year? I notice that the Minister of Finance (Sir Thomas White) in some measure agrees with what I have said. He says in his Budget speech:

> In so far as our present prosperity is based upon abnormal prices for our produce and upon the production of war material, it is precarious and transient.... It cannot be too frequently nor too earnestly impressed upon our people that the heaviest burdens of the conflict still lie before us.

And again he speaks of "straightened financial conditions which may prevail" after the war.

The question of how our people are being affected by these conditions of vast expen-

diture is one that may very well engage the serious attention of this House, and inquiry may well be made as to why financial conditions amongst the people at large are not better than they are. The Government of the day has had control of the affairs of this country for some four years. During the first year of their administration they could not be charged with whatever might occur, perhaps not in the second year, perhaps not seriously in the third year. But I do submit that in the fourth year it is time to take stock and to consider whether the promises and expectations that were indulged in on their accession to power have been realized or not, and, if not, why not?

It will be remembered that the Government of the day came into power on a very definite policy of high taxation and restricted trade. There is no argument upon that point. Te former Government went out of power on a declaration for lower taxes and wider trade, the present Government came in on the opposite policy of higher taxes and restricted trade. The Government have worked on that policy now for four years. This country now sees the greatest opportunity that it ever saw or that it can ever hope to see for an abounding prosperity, which certainly it is not achieving in any reasonable measure. For that condition the Government must in a large measure be held responsible. Its policy must be judged by the results.

When I have heard the Finance Minister on different occasions place before the House his Budget proposals, involving largely increased taxation, I have been struck by the lightness with which he seemed to regard the imposition of increased taxation. It is true that it was his policy and the policy of his colleagues, but it seemed to me that when he was proposing to add enormously to the burdens of the Canadian people, he should have been impressed with the fact that a burden may be made so heavy that it bows down and renders ineffective the efforts of those who are compelled to bear it.

I must agree with certain remarks made by the Finance Minister as to the natural and proper source of permanent prosperity in this country. He says:

> The future of Canada rests with the development of its great resources, of which the greatest and most fundamental is agriculture.

If the future of Canada rests on the development of its agricultural resources, does not the present of Canada also rest in large measure upon the development of those same resources? Perhaps it would be interesting to know just how those resources have been developed under the administration of the Government in power. It will be admitted, of course, that it is to the prairie west that we must look for our greatest agricultural development. It was to the prairie provinces, in the process of their rapid development, that Canada was indebted for that period of increasing prosperity that continued until the year 1911. It was because the prairies were being brought under cultivation and were being made to produce wealth—wealth which was turned into every line of trade, transportation and industry throughout the whole Dominion. It was because of that yearly increase of wealth that Canada, as Canada, was prosperous. In the year 1910 the wheat area of the prairie west was approximately 8,000,000 acres; in 1911 it was approximately 10,000,000 acres, an increase of 2,000,000 acres in one year. The wheat area in 1912 was 10,000,000 acres; in 1913, 10,000,000; in 1914, 9,250,000 acres; in 1915, 11,750,000 acres. It will be observed that from 1911 to 1914 the productive area of the prairie west not only did not increase, but was in the year 1914, 750,000 acres less than it was in 1911. It is true that in 1915 the area was largely increased, the reason being that war prices prevailed in 1914. These prices gave to the farmer the expectation of large profits on his production, and he responded at once by increasing his production to the extent of 750,000 acres over the largest previously cultivated area, and practically 2,500,000 acres over the cultivation of the previous year. If it is a fact, as it is a fact, that the producer of the prairie west vastly increased his production because of the sharp rise of prices in 1914, is it not also absolutely a fact that the reason he not only did not increase his area, but decreased it during the three preceding years, was because the prices did not give him a fair return for his efforts? Again let me remind the House that the present Government came into power on a policy of restricting the farmers' market. They did restrict it. The result was that they restricted production, and the result of restricted production in the prairie west was hard times throughout the rest of Canada. There is no escaping from the facts, because the evidence is that just as soon as an opportunity for higher prices was shown, at that moment the western farmer responded, and forthwith he cropped a vastly increased area. It

is true that Providence was kind as well, and gave him an abnormal crop, with the result that we have to-day more grain to market than we ever had before. It was Providence that gave him the good crop; it was the war that gave him a good market in 1914; but it was the Government of Canada that kept down his prices during the years 1912 and 1913 and is keeping them down to-day.

The failure to increase the area of land under cultivation was not because there was not an increase of settlement. The facts which I have given to the House are the more striking when it is remembered that there was in each of those years a very large number of homestead entries and that the immigration to Canada was increasing from year to year. It is true that the homestead entries were decreasing, but the immigration to Canada was increasing. The result shows that the immigration was not going on the land, and that the man who did go on the land was not using the same exertions to bring it under cultivation as had been done in former years. The reason was that the returns for his labours were not satisfactory, and for that lack of returns the Government and its policy must bear the full share of blame. The rotation of increase is shown in the following table:

Year.	Free and purchased homesteads.
1910	41,000
1911	44,000
1912	39,000
1913	33,000
1914	31,000
1915	24,000

It is expected that in 1916 the number will be about 18,000. This shows that the demand for land was decreasing, as the profits from working it were not being realized. At the same time the immigration increased as follows:

Year.	Immigration.
1910	208,000
1911	311,000
1912	354,000
1913	402,000
1914	384,000

I have not the figures for later years. Thousands and tens of thousands of people took up land, and yet the area of production and the actual production in bushels did not increase. Our hon. friends must take the responsibility for that position, as being the result of the application of their policy of restricted trade to that industry which the Minister of Finance says contains the future of the country.

But there was something more in this policy of the Government besides restricted trade; there was the policy of high taxation; because it will be remembered that the reciprocity agreement upon which the late Government appealed to the people provided for a large and substantial decrease in our taxation as well as a widening of our markets. It was rather because it reduced the taxation than because it widened the opportunities for trade that it was opposed. Therefore there is no doubt that our friends came to Parliament on an avowed policy of high taxation, and we are bound to say that they have lived up to the most ardent expectations.

Looking over the revenues of the country during recent years, I find that the total receipts for 1911-12 were $118,000,000. That was the last full year that the late Government held office. In 1912 they had increased to $136,000,000. In 1913 they had increased to $168,000,000. In 1914 they had decreased slightly to $163,000,000. You will observe that, although the production of the great basic industry of the country was not increasing, the amount of taxation was increasing. It is true that, up to the date I have given, it was increasing on the same rate of taxation; the rate had not been seriously increased up to that time. But the Government was standing to its colours in good shape when, seeing the production of the country standing still, it yet levied all that the tariff would give it. Although the revenue in 1913 was $40,000,000 more than in 1911, still they levied the taxes and they spent the money. It will be remembered that the war broke out in August, 1914, and the Minister of Finance, in presenting his Budget proposals, provided for meeting the decrease in receipts not by economy in expenditure, but by increase in taxation, and so, in the session of 1914, he imposed taxes, revenue taxes in a large measure, which he estimated would yield $7,000,000 during the remaining half of that year. That is to say, the taxation was increased in the year 1914 to the extent of $14,000,000 a year. As a result of that increase of taxation, receipts in 1915 were $133,000,000. I do not know that it was part of the declared policy of the Government in the contest in 1911 that there should be a policy of large expenditure as well as of high taxation and restricted trade. However, in operation that is how it has worked out; for, although the revenue dropped

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from $163,000,000, in 1914, to $133,000,000, in 1915, or, deducting the $7,000,000 extra taxation, to $126,000,000, in 1914, the expenditure was kept up at the good old figure.

Then we came to the session of 1915, and again our friends stood to their guns. No such thing as reducing the expenditure; that would be an economic mistake. I think we have the honourable the Minister of Finance on record on that point, although I do not need to trouble the House by quoting his words. At any rate, he decided that instead of reducing the expenditure he would give another boost to the taxation, and so he imposed special and direct taxes, which he told the House he expected would yield $10,000,000 during the year about to close, and customs taxes, which he expected would yield about $25,000,000. And, so far as we can judge from his statement in presenting the Budget, his expectations have been fully realized. Thus in this year of grace we are paying an increased rate of taxation over that prevailing in 1913 of approximately $50,000,000. We are carrying a burden over and above what we were carrying in 1911, in increased taxation, of $50,000,000. At this session my hon. friend comes down with a proposal to add to that increased burden of taxation a further amount of $25,000,000.

When this House rises at the end of this session the Government record in imposing taxation will stand something like this. In the years 1912 and 1913 they changed the tariff only a little; it was increased—I cannot give the details—but we will assume that in these two years they managed, on behalf of their friends, to add a million dollars in extra taxes. Next year, in 1914, they imposed $14,000,000 of taxation; in 1915 they imposed $35,000,000; and this year they propose to impose $25,000,000, which, if I make my calculation correctly, means a burden of $75,000,000 of additional taxation over and above that which was levied on the country when the Liberal Government went out in 1911. As my hon. friend from Rouville (Mr. Lemieux) says, when the Liberal Government went out, and the country was almost at the climax of its prosperity, the revenue was something less than $120,000,000. Our friends have added to that $75,000,000, making the total burden to be carried by the people of Canada during the coming year $195,000,000. They certainly have lived up to their policy of high taxation. If the amount of extra taxation that they have imposed is taken from the total receipts, it will be shown that the tax-paying power of the people of Canada stands just where it did in 1911, at $120,000,000. Their extra taxation is an extra burden to that extent. In a country where conditions are far less prosperous amongst the individual citizens than in 1911, we shall carry an additional burden of $75,000,000, or a total increase of about 70 per cent.

It may interest the House to know just how this course of taxation has run, and perhaps it can draw the conclusion that there is some connection between high taxation and hard times. In 1878-9 the total revenue of Canada was $22,500,000, and in 1886-7 it was $35,500,000. In eight years it had increased by $13,000,000, or 50 per cent. These were the years during which the vast expenditures in connection with the building of the Canadian Pacific railway took place. They were also the years during which the policy of high taxation, the so-called, but miscalled, National Policy was introduced. As a result of the two, a higher rate of taxation and vast expenditure on the Canadian Pacific railway, our revenue was increased by $13,000,000, or 50 per cent in eight years. In 1895-6 the total revenue was $36,500,000. In nine years, under a policy of high taxation, the revenues of the country had increased just $1,000,000. It will be recalled that this period of nine years was a period of anything but prosperity in the Dominion. It will be recalled that this period of high taxation had the effect of making Canada the greatest emigrating country in the world except Ireland—that it had the effect of sending our population to the United States, so that in the United States census of 1900 over 1,000,000 native-born Canadians were enrolled as citizens or residents of that country. That is how the policy of high taxation worked out during Canada's previous experience of it.

But the fathers of the National Policy were men of great limitations. They did not realize their possibilities as these possibilities have been realized since. In 1896 the revenue was $36,500,000 and in 1910-11 it was $118,000,000.

Mr. MEIGHEN: Was that taxation?

Mr. OLIVER: That was revenue.

Mr. MEIGHEN: The hon. gentleman almost always calls it taxation when he refers to the revenue since 1911. Why does he not call it the same before that time?

Mr. OLIVER: I am willing to call it the same. Taxation is revenue and revenue is taxation, as I understand it. I will call it taxation if it suits my hon. friend any better. From 1896 to 1911 the increase was from $36,500,000 to $118,000,000 of taxation, if my hon. friend likes. But he will have to agree with me, since he insists on the word "taxation," that the increase to $118,000,000 occurred under a substantially lesser rate of taxation than had prevailed before 1896. In those years the increase was $81,000,000. Call it taxation if you like, or call it revenue, but in those fifteen years, under a lower rate of taxation, the revenues of Canada increased 300 per cent. Under this policy of lowering taxation and widening trade, the tide of immigration to the United States was stopped, and was replaced by the tide of emigration from the United States to Canada. The Government of that day desired still further to decrease the taxation, and still further to widen the trade of Canada. Hon. gentlemen opposite attacked those principles. They triumphed; they have now been in power four years, and they have applied their principles. Am I wrong when I say that the flow of emigration from Canada to the United States that prevailed during the years of the so-called National Policy is again in force to-day, and that Canada is losing thousands of her people to the United States for the very same reason as during the years previous to 1896, namely, a policy of high taxation and restricted trade?

I am sure my hon. friends opposite will have an answer to everything I have said up to this point. First of all, they will declare that the condition of hard times prevailing in Canada was precipitated by the outbreak of war. Seeing that no one has actually made that statement on the floor of this House at this moment, you will not call me to order, Mr. Speaker, if I say that it is not correct. In the years 1908, 1909, 1911, and 1912, Canada was enjoying a boom, or suffering from a boom, which ever you please to name it, and the boom burst in the fall of 1912. If there is any doubt that hard times did exist previous to the war I can say that to my knowledge, men in hundreds, if not in thousands, were parading the streets of many of our cities in the fall of 1913 demanding work or bread. In Edmonton I saw the motto carried in procession, "Steal or starve, which?" And they demanded charity, or, as they said, they demanded their rights, and in many cases those rights were conceded. The city of Edmonton spent $25,000 in the winter of 1913-14 in feeding the men who they were satisfied had no other means of support; and what occurred in Edmonton occurred in many other cities, though perhaps not to the same degree. So the contention that the present hard times in Canada were precipitated by the outbreak of war is certainly not correct. It is true that when war broke out there was a momentary disarrangement of financial conditions, and that the hard times then existing were accentuated. But that the war, instead of being a detriment to financial conditions in this country, was really the one thing that relieved those conditions is proved by the statement of the Minister of Finance in his Budget speech; that the present prosperity of our people—and I am not saying that there is not some measure of prosperity—is due to conditions resulting from the war. The war was the one thing which alleviated the unemployment which prevailed throughout Canada previous to its outbreak. How could it be otherwise than that some measure of prosperity should result from the expenditure of hundreds of millions of dollars because of the war, and only because of the war? The Minister of Finance warned the country of the possible collapse—he did not use that word, but I use it—of these conditions. Therefore, it is not the war that we should blame for unfortunate financial conditions; it is not the war that we should blame for the empty houses, the shut-down businesses, or the movement of people to the United States. We have no more right to blame the war for these conditions than we have to blame it for the similar conditions that prevailed during the enforcement of the National Policy previous to 1896.

There is another feature of the Budget proposals in regards to which I have no doubt the war again will be used as a justification. I think the Minister of Finance did in his speech actually cite the war as a justification for the vast amount of taxation that has been imposed on the Canadian people since the war began. What are the facts? I think his statement was that, up to the end of January, we shall have spent for war purposes $158,000,000. Assuming that we spend $8,000,000 a month on the war, we shall spend before the end of the year $16,000,000 more; that is, interest will have to be found during the coming year on $174,000,000 that will have been spent in connection with the war. The interest and sinking

fund payment on $174,000,000 for one year is approximately $10,000,000. But my hon. friend has laid estimates on the table of the House calling for interest and sinking fund payments amounting approximately to $40,000,000 for the coming year. When my hon. friend became Finance Minister the interest charge against the people of Canada was a little over $14,000,000 a year; to-day it is $40,000,000, and there is no justification for charging more than $10,000,000 of that $40,000,000 to war account. The difference between the interest charge my hon. friend found when he took office and the interest charge of to-day, after allowing for war account, is $15,000,000. This Government since they took office doubled the interest charge against the Dominion of Canada, and that is after allowance has been made for war account. The Finance Minister tells us that the Government is going to ask for an appropriation of $250,000,000 for the coming year. Interest upon that amount will, of course, have to be provided. If you add that $250,000,000 to the $174,000,000 that will be expended by the end of March of this year you will have an amount upon which the interest charges will be about $25,000,000; but my hon. friend, since he has taken office, proposes to add to the taxation of the people of Canada, not $25,000,000, but $75,000,000, that is, $25,000,000 on account of continuing the war until the end of next year, and $50,000,000 on account of the expenditures of the Government on civil account during four years of administration.

Mr. MEIGHEN: Additional interest?

Mr. OLIVER: Additional taxation. When the Budget proposals of this session go through the Minister of Finance will, on his own statement, have added $75,000,000 to the taxation of the Canadian people, that is, he will have increased the means of taxation upon them to such an extent that he will take from them $75,000,000 more per year than were being taken from them under the rates of taxation prevailing when he took office. To meet the interest charges on the war for the next year my hon. friend needs $25,000,000. There is, therefore, $50,000,000 of extra taxation that this Government is taking from the people because of its methods of carrying on the civil government of the country.

Mr. MEIGHEN: Did the hon. gentleman not hear the Minister of Finance say that the money is going on the principal war account?

Mr. OLIVER: It does not make any difference where the money goes. The Minister of Finance and the Solicitor General can juggle the figures any way they like. The point is that the figures are as I have stated them. The Minister of Finance has said he is going to apply $35,000,000 of his surplus this year on civil account to the payment of capital expenditure on war account, and he is going to borrow $35,000,000 on civil account. What is the difference? There is none. The fact is that, because of the administrative extravagance of this Government, he has increased the burden of taxation on the people of Canada $50,000,000 over and above the requirements of interest on war account. He said:—

> To win the war with the decisiveness which will ensure lasting peace, the Empire will require to put forth its full collective power in men and in money.
>
> From this viewpoint it is our true policy to augment our financial strength by multiplying our productive exertions, and by exercising a rigid economy which reduces to the minimum all expenditures upon luxuries and non-essentials.

Can any one find a form of words that will convey the idea of economy more lucidly, more correctly, or more forcibly than those which I have read? But the Minister of Finance, who exhorts the people of Canada to economize and charges them to avoid expenditures on luxuries and non-essentials, is the very man who has laid upon the backs of the people a burden of $50,000,000 of taxation per year, and to pay for what?

Sir THOMAS WHITE: To pay for the mistakes of our predecessors.

Mr. OLIVER: Oh, no. To pay for the addition of 10,000 civil servants to the pay-list; to pay for expenditures where expenditures ought never to have been made. I have heard of my hon. friend eloquently declaiming in this House against the expenditures made by the late Government on the Transcontinental railway.

Sir THOMAS WHITE: $60,000,000.

Mr. OLIVER: But it will be noted that the increase of taxation by the late Government in order to meet the expenditures made on that railway while they were in office, did not produce an increased burden of taxation, as have the expenditures since my hon. friend came into office. More than half of the legitimate expenditures on the Transcontinental railway had been made before he took office; my hon. friend had to meet expenditures only for the comple-

tion of the work; but when he completed the Transcontinental railway, did he stop there and curtail other expenditures because of the feeling he had that the money of the people of Canada was being spent unduly on that great enterprise? Not so. If there was extravagance in building the Transcontinental, surely there is ten times as much extravagance in the conduct of affairs under the control of this Government to-day, when the Minister of Finance calls upon the whole citizenry of Canada to practise economy—every one is to practise economy except the Government.

I have pointed out that, when my hon. friend's proposals of this year are carried through, he will have imposed upon the people of this country an additional taxation of $75,000,000. When the Liberal Government took office, in 1896, the total revenue was $36,500,000. Therefore, in four years my hon. friend has imposed in additional taxation twice as much as the total revenue of the country was in 1896. If the money was necessary for war purposes, no one would raise any question; but, when out of that $75,000,000, only $25,000,000 is for war purposes and $50,000,000 is for extravagance on the part of the Government, surely some question should be raised. At this time, when very heavy burdens are being laid upon the people, surely the burdens should be lightened where they can be lightened instead of expenditure going on just as it has gone on in the same merry way under the belief that, as long as this Parliament has the authority to impose taxes on the Canadian people, it makes no difference to the country at large; the people simply can bear it and it will do no harm. Probably the idea is, as my hon. friend from St. Antoine (Sir Herbert Ames) said, in inaugurating the Patriotic fund, it will do good to their souls to pay this higher rate of taxation.

My argument is this, that the Government of to-day, being compelled to meet large requirements because of the war, should, at such a time and under such circumstances, have taken measures to curtail expenditures on ordinary civil account My contention is that they have not done so and are not doing so, for they come down with estimates amounting to $190,000,000 on civil account and ask this House to vote them. These figures are so immense as to be staggering. The ordinary man does not realize what they mean. He can only tell, when he comes to pay, whether his ability to pay is equal to the demands made upon him or not. As my right hon. friend the leader of the Opposition said on one occasion, the ordinary man can tell best by the jingling of the money in his pocket. If we found that our agricultural area was expanding, that our agricultural production was increasing, that the Government of the day was using the money they have taken from the people for the purpose of increasing that production and expanding that area, then we might hope to carry the burden that is being cast upon us.

Let us carefully consider what that burden is. There has been a Cost of Living Commission at work in Canada for some years and its report is before us. While that report does not come down to the present day, still it is very interesting as far as it goes. The Labour Gazette, that useful publication for which we are indebted to our genial friend the Minister of Labour (Mr. Crothers), gives information up to date. We find, on consulting the Cost of Living Commission's report and the Labour Gazette, that the cost of living—and that is what we have to jingle the money in our pockets to meet; if we have not the money we must cut down our living accordingly;—we find that the cost of living has greatly increased. A certain figure has been arrived at by consent, representing the average of the wholesale prices of some 271 commodities in general use. This is called the "index number." We find that in 1911 this index number stood at 131, and that for January, 1916, it stood at 172. This is a difference of 41, and, as I figure it, it means practically an increase of one-third in the cost of these 271 articles. Does the House realize what the increase of one-third in the cost of living means to the people? The burden of taxation imposed directly by my hon. friend the Minister of Finance fades into insignificance in comparison with it. Suppose there are 7,500,000 people in Canada. If we assume that these people consume on the average $100 worth a year of the 271 articles—and surely that is below the mark—we find a total consumption of $750,000,000. If the cost is increased one-third, it means an additional burden of about $250,000,000, or one-half the amount of the present national debt upon the people of Canada in addition to what they had to bear in 1911. Now, I am not making these figures; the Government and its commission are responsible for them. Unless there has been a most grievous error in their calculations, the result has been, as I have stated, that under the administration of this Government there has been an increase of one-third in the cost of living of the people of Canada in a matter of four years, and that

increase has taken place when business conditions were down grade and not on the up grade, as they were in the years previous to 1911.

Is this the time—when people are carrying that enormous burden of the increased cost of living—to impose $50,000,000 of additional taxes upon them because of the extravagant administration by this Government, in addition to the $25,000,000 of interest on war account that they must pay? And not only so, but consider what the Minister of Finance said—and I hope he will allow me to refer thus often to his Budget speech because it contains a vast amount of good material:

> It cannot be too frequently or too earnestly impressed upon our people that the heaviest burdens of the conflict still lie before us, and that industry and thrift are, for those who remain at home, supreme patriotic duties upon faithful fulfilment of which our success and consequently our national safety may ultimately depend.

We are not at the end of the conflict. No man can tell how long it may last. The Minister of Finance advises everybody else to hoard their resources, but he heaps on the taxation and spends the money royally. Is there any connection between this enormous increase of taxation and this increase in the cost of living? Whoever follows these figures will notice that it is since the burden of taxation has been so largely increased that the cost of living has gone up most rapidly The rotation is this: 1911, 131; 1912, 143; 1913, 135; 1914, 136; 1915, 139; 1916, 172. It may be only a coincidence that the cost of living and the increase of taxation have, so to speak, synchronized; but I cannot rid my mind of the idea that the increase in the cost of living is in large measure dependent upon the increased burden of taxation and upon the tariff changes that have been made in accordance with the Government's policy of increased taxation and restricted trade.

In the present Budget there have not been many tariff increases. There have been two—one in regard to apples and the other in regard to petroleum. I have not been able to find out just how far-reaching the new petroleum duties are, but I notice that they are expected to produce a revenue of half a million dollars, and I am interested to know who is going to pay that half million. I do not know whether the prairie West will have to pay it, but there is no question about who is to pay the duty on apples; that seems to be settled beyond a doubt. The minister proposes to raise the duty on apples to 90 cents a barrel. He says:

> We regard this duty as indispensably necessary for the preservation of the apple-growing industry of Canada, and particularly that of British Columbia, which has been most seriously affected since the outbreak of the war.

I have to disagree with my hon. friend in that last remark. I think it is possible to ride this war a little too hard; in this case my hon. friend is putting upon the war one more burden that it is not entitled to carry. I think it would be found that the apple industry of British Columbia was affected in years previous to the war. However, in order to bring this apple question down to a fine point, I wish to quote from the Columbian, which is published, I believe, in New Westminster. It says:

> In such circumstances, if the apple-growing industry of British Columbia, in which, it has been estimated, $20,000,000 has been invested, there being 30,000 acres of orchard lands, 40 per cent of which are now bearing, is to be saved from ruinous competition, the additional protection was certainly needed, and those who have at heart the agricultural interests of the province, will be appreciative of the Ottawa decision and congratulate the Fruit Growers' Association on the success of their representations to the Government.

It is not necessary to urge that the people who will pay the extra price to the British Columbia fruit growers are the people of the prairie West— the people, Mr. Speaker, who constitute that great agricultural industry the expansion and development of which is the future hope of our country. According to the Columbian, the minister is making the farmers of the prairie West responsible for the profits on an investment of $20,000,000 in the apple producing industry of British Columbia—and 30,000 acres in British Columbia are occupied by orchard lands. Just imagine laying the three prairie provinces under direct tribute for the benefit of 30,000 acres in British Columbia! We are to provide the dividends on an investment of $20,000,000 out of forty per cent of the production that that 30,000 acres is capable of. If we are not to do that, then the minister on the one hand and the Columbian on the other, are misrepresenting the facts. In any case there is no doubt as to who pays this part of the extra taxation.

Let me show hon. gentlemen how absolutely uncalled for this duty on apples is, looked at from every standpoint of national interest, which the minister suggested

should have the first consideration at the hands of this House in the present great imperial crisis. The total import of apples into Canada in 1915 from the United States was 269,000 barrels, of a value of $648,000. The duty was $107,000, and the new duty on that valuation would be $242,000, or an increase of $135,000. If the fruit growers of Canada cannot stand the competition of that quantity of apples, either they are not growing fruit in the right way or in the right place. Having regard to the figures of the Trade and Navigation returns, there was no justification for this taxation except the very special interest of the people who are most closely identified with the apple industry, personally and politically—and, I would say, very much more politically than personally. It is the agriculturists of the prairies who will pay the $135,000 a year extra duty, who will pay in increased price for their apples an amount that will yield a profit on an investment of $20,000,000. Given the opportunity, there is no doubt that that opportunity will be taken full advantage of. There is no doubt that the cost of living in the prairie provinces will be increased to that extent; and there is no doubt that that increase in the cost of living will be to the very great detriment of the people who live there. If there is one thing in the way of luxury that they are entitled to at a fair price, surely it is that fruit that is most abundant and best adapted for transport—apples. If the duty on apples to protect 30,000 acres of orchard land is to have such a far-reaching effect in raising the cost of living in the prairie provinces, certainly my hon. friend's increase of customs duties last year, which he hoped would yield $25,000,000, will have a correspondingly wide effect in increasing the cost of living not only in the prairie provinces but throughout the whole Dominion of Canada. The $25,000,000 that he gets into the treasury is a heavy burden. It would pay the interest on the war debt as it will be next year.

But is that all that the people of Canada have to pay? If it is a fact, and it surely is, that on the average we produce twice as much as we import, then, surely, instead of the burden being $25,000,000 by reason of that general tariff increase, it will be $75,000,000—$25,000,000 to the treasury and $50,000,000 to the friends of my hon. friend and his supporters. But still he says:

> The future of Canada rests with the development of its great resources, of which the greatest and most fundamental is agriculture; and this development is in turn bound up with the question of the increase in population of the productive sort and the facilities afforded it for the application of its intelligence and industry.

And so he increases his tariff and he adjusts his taxes so as to lay the maximum burden upon the great agricultural industry.

We have to borrow money, of course, to pay for this extra expenditure, and we have to borrow money to carry on the war. But we have another source from which we derive money, that is, the issue of Dominion notes. I find that my hon. friend, in his address, makes this reference to the issue of Dominion notes, with every word of which I agree:

> The Government is resolutely determined to maintain the standard of our currency and not to resort to the issue of unsecured paper money, which is merely a short loan without interest, leading to depreciation and the greatest economical evils which can afflict a nation.

The opinion of no man in Canada is entitled to greater respect than that of the Minister of Finance on matters of finance, and when he made this announcement it was greeted with applause on both sides of the House. But on looking into the public accounts I find that, whereas in 1911 the total amount of Dominion notes issued was $90,000,000, in 1915 the amount was $157,000,000, an increase of $67,000,000, or about seventy-five per cent in four years.

Mr. MEIGHEN: Has my hon. friend the figures of the gold reserve against this circulation?

Mr. OLIVER: I have the figures of the gold. I am merely stating the fact that he has increased the circulation of Dominion notes to the extent of 75 per cent in four years over what it was when he took office, and that is, according to his own statement, a forced loan, an addition to the money that he would otherwise have had available for expenditure.

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Mr. MEIGHEN: How can it be a forced loan when there is gold against it? What is the difference if ten times that amount is issued in four years if there is gold against it?

Mr. OLIVER: I do not know what the difference is, but my hon. friend objects most strongly to an undue issue of paper money.

Mr. MEIGHEN: It cannot be undue if there is gold behind it.

Mr. OLIVER: It depends on how much gold there is behind it. It is merely a forced loan without interest; that is what the minister says. He has increased that forced loan without interest to the extent of 65 per cent while he has been in office. He has had that amount of money available for expenditure in addition to the interest-bearing money that he has borrowed both in Canada and abroad.

Sir THOMAS WHITE: I do not like to interrupt my hon. friend, but I am sure he does not desire to make such an extremely inaccurate statement. Dominion notes are issued as a matter of course to the banks against gold deposited to the credit of the Receiver General. The Government does not spend tne money produced by the notes issued against gold.

Mr. OLIVER: Who gets it?

Sir THOMAS WHITE: The banks. It is for the convenience of the banks and of the public. The banks are permitted to deposit gold with the Receiver General and get Dominion notes in exchange, but the Dominion Government does not spend the Dominion note issue. It is only for the convenience of the banks and the public and to meet the circulation needs of the community.

Mr. OLIVER: My hon. friend must hold himself responsible for my error, because he speaks of an issue of unsecured paper money as merely a forced loan.

Sir THOMAS WHITE: Unsecured paper money. What I had in mind was that it would be a very great evil for the body politic if the Government should issue unsecured paper money, fiat currency, for its purposes, as has been done in Germany and in the case of many other nations when at war.

Mr. OLIVER: As a matter of fact, is there gold behind each dollar of this paper currency?

Sir THOMAS WHITE: Over 70 per cent.

Mr. OLIVER: Over 70 per cent, and therefore 25 per cent or 30 per cent is a forced loan.

Sir THOMAS WHITE: No.

Mr. OLIVER: Then I have to disagree with my hon. friend. Unless there is dollar for dollar behind it the country is getting the benefit of that amount. There is no argument on that point at all. As long as gold is the standard and there is no gold behind that paper, that paper is not absolutely secured, and it is to all intents and purposes a forced loan. The minister in his remarks contemplated the possibility of the Government issuing paper money to a greater degree than it had done. At what point in that issue would he consider he had reached the point of a forced loan if he does not admit that when he issues a dollar of paper money more than he has gold, that is, to all intents and purposes, a forced loan?

Sir THOMAS WHITE: The matter is governed by legislation. Two or three years ago it was permitted to the Government to issue paper money to an amount represented by $22,500,000. Afterwards, by virtue of legislation, that amount was extended to $37,500,000. Then, under the Finance Act, paper money may be issued against securities. But what I referred to was the issue of unsecured paper money, such as is being issued in Germany to-day, and as was done by the South in the great struggle of the Civil War, and by the North also, with consequent depreciation and the resultant evils that afflicted the nation.

Mr. OLIVER: If the minister has a dollar of gold in the treasury and issues $2 of paper money, does he consider that second dollar fiat money, or what does he consider it?

Sir THOMAS WHITE: It depends entirely upon the legislation of the country. If the country has legislation under which it is permitted to issue a certain amount of paper money, about equal to the currency needs of the community, not likely to be handed in for redemption, I would not consider that fiat money. What I had in mind was that the laws of the land should not be exceeded by the issue of fiat money, as was done by the United States in the Civil War, and as is being done by Germany to-day, and as has, in fact, been done by most nations engaged in war.

Mr. OLIVER: It all comes to the same thing, that if the gold is not there there is nothing behind the paper but the credit and good faith of the country. The point I wanted to make is that the Government had the benefit of the increased issue of paper money in adjusting its finances during these past years, in addition to the money which it bor-

rowed, and on which it pays interest. Otherwise, there is no meaning to the paragraph that I have read out of my hon. friend's speech.

Now, I want to draw attention to a further feature of this question of the well-being of the country through its agricultural interests and the policy which has been adopted by this Government in regard to those interests. I shall not refer at length to the policy of the Government in refusing the export of our wheat to the United States. We have threshed that out, and the Government has taken its position definitely on that point. I believe that our people, especially the producers of the West, stand to lose a vast amount of money because of the policy of the Government. Our production is being restricted and our expansion is being prevented by that policy. I shall not argue that at length now. But I want to point out that when this war broke out it was the business of the Government to take all reasonable means to secure for the farmers of Canada, both East and West, the maximum advantage that could be derived from the existence of war conditions. Instead of their acting upon that idea, they have at every turn hindered and hampered the farmer, particularly the farmer of the West. Did they not at the beginning of the war place an embargo upon the export of wheat and flour to the United States? Did they not place an embargo upon the export of horses to the United States? Did they not place an embargo upon the export of hay to the United States? Did they not place an embargo upon the export of wool to the United States? Have they not placed a partial embargo upon the export of oatmeal to different parts of the world? Is there any sense or reason, from any point of view, why the farmers of Canada should not have benefited to the fullest extent by the war conditions that have prevailed?

Mr. MEIGHEN: Does the hon. gentleman say that we were wrong in placing these embargoes?

Mr. OLIVER: I am trying to say so; I am sorry that I cannot say it emphatically enough to impress my hon. friend, but I will try. I consider that a Government which has refused to put an embargo on the export of nickel to the United States cannot go before the farmers of Canada and plead patriotism in refusing to allow them to export their products to the United States. Horses, wheat, flour, wool, hay can be bought elsewhere than in Canada; but nickel cannot be bought elsewhere than in Canada. Why should the Government hamper the operations of the farmer? Did the well-being of Great Britain or her Allies depend on the farmer of Canada not being allowed to sell his horses to Great Britain or to the Allies, or on his being prevented from selling them to the United States? The United States, I am credibly informed, has sold half a million horses to Great Britain and the Allies, and it has sold them at a price averaging over $200 per head. The horses sold by Canada, I see by a recent return, have gone at an average of $162 per head. Is that giving to the farmer of Canada even a reasonably fair chance of making a profit out of his operations? How can the Minister of Finance give his blessing to the agricultural industry in the terms in which he does in his Budget speech and permit his colleagues to hold up the farmer at every turn in all his operations where there might be an opportunity for him to secure an advantage out of the war conditions?

My hon. friends seized 13,500,000 bushels of wheat, and they have not explained yet why they seized it. They have not told us what they did with it; but we have it in evidence that the 5,000,000 bushels which they kept—and they kept only 5,000,000 bushels and gave the rest back—was farmers' wheat on which the farmers stand to lose 25 cents a bushel. The farmer is a patriotic man, willing to pay his share of the cost of this war, either in Canada or in Europe, and God knows he is doing it in money and in men. But why should he have to pay 25 cents a bushel on 4,000,000 or 5,000,000 bushels of wheat that nobody else in Canada has to pay? Why have the gentlemen composing this Government the right to take a million dollars out of the pockets of the farmers of the West and say to them: "Oh, patriotism demands that you make that sacrifice." Let them go to their friends in other parts of Canada and commandeer their products, take the money out of their pockets, and see where their patriotism would be.

This Government is able to get transportation facilities on the Atlantic ocean for the benefit of munition makers, those gentlemen who are so very much in need of assistance at the hands of the Government, but it is not able to do anything to overcome the handicap that the farmers are labouring under at the present time. Wheat is higher in London to-day than it was a year ago, but the farmer of the West is getting a less price for his wheat, in proportion, than he

was getting a year ago. What becomes of the difference? It is taken up by the cost of ocean transport. Surely, if ever there was a time or an occasion for the Government of Canada to step in and aid in the expansion of the agricultural industry of the West and increase its production in order that the burden of this may be carried in the future, that was the time and that was the occasion. To-day the consumer in Great Britain is paying an abnormal price for his wheat and the producer of the prairie West is getting less than he should get under the circumstances. Give the man of the prairie West the same conditions as you give the munition manufacturer. If you can do it for the one you can do it for the other, and if you cannot do it for the one why should you do it for the other? We have had a magnificent crop in the West. It is to that crop that the people of Canada as a whole look for lifting the country out of its present and recent condition of financial depression. Has the Government appreciated the situation and made adequate and suitable provision for getting that crop on the market in such a manner and form that it will produce the best results? The answer is there—the commandeering of the wheat, or the embargo on the wheat, or the ocean freight rates on the wheat. The Government has no interest in the wheat except to tax the man who grows it, and to benefit those of their friends who supply the farmer with the articles he requires.

Now, this is a serious matter. The farmer has produced an enormous crop. He has not been able to dispose of that crop to advantage; it is in a large measure on his hands up to this moment; and the acting Minister of Railways tells us to-day that a large proportion of that crop is in danger of being destroyed by the weather conditions. Under these circumstances, can we expect the farmer of the West to increase his acreage next year? Is it reasonable to expect him to do it? Is it possible for him to do it? The hope that the Finance Minister expressed of a further increase in agricultural production next year might reach fruition if this Government would give the farmer of the West a square deal. That is all he asks for and that is all he needs. But this Government since they have been in power have loaded the western farmer with taxes and imposts; they have advantaged their own friends in all parts of the country at the farmer's expense; they have hampered his opportunities in connection with the war, as though he were somebody who was doing the country an injury in producing what was required. I say that the farmer of the West has no right to contribute more than his fair share to the conduct of this war. He has a right, and he is willing, to contribute his fair share, and if only that is taken from him you may confidently expect that his industry will expand, and that in the end the country will benefit. But the Government of to-day, in regard to the prairies of the West, is following exactly the policy and principles of their predecessors in office before 1896. History is absolutely repeating itself. The policy of high taxation and restricted trade that was applied in those years prevented expansion, and the same policy is having exactly the same result to-day.

Mr. EDWARDS: Has not the aggregate trade of the country been greater since 1911?

Mr. OLIVER: I should hope it has, considering the enormous amount of borrowed money spent in this country on the manufacture of munitions. If it is not greater it certainly ought to be, especially as in the West there has been a two-years' crop in one.

Mr. EDWARDS: Apart from the war, was not the aggregate trade in 1912 and 1913 greater than in the years previous to 1911?

Mr. OLIVER: I could not say. What I am saying is that the production of the West has been decreasing since this Government took office, with the exception of the production of last year, and I say you cannot build up this country on any such programme. The prosperity of this country absolutely depends upon the expansion of the agricultural industry, and it is only in the West that that industry can expand. Surely, then, the policy of the Government of the day should be to take measures to secure that expansion, rather than to follow a policy of high taxation and restricted trade, a policy that up to the present time has resulted, in spite of our magnificent crop and war business, in keeping our bank clearings down to a 23 per cent increase over last year, as compared with an increase of 50 per cent in the United States. The argument has been made that if times are bad in the United States we cannot have good times in Canada. But times are good in the United States; they were never better, and still we have not good times in

Canada, speaking at large. The Government of Canada must take the responsibility for the administration of the affairs of Canada, and for the results of that administration.

Hon. ARTHUR MEIGHEN (Solicitor General): Mr. Speaker, the hon. member for Edmonton (Mr. Oliver) is the last of nine speakers who have followed in succession on the opposite side of the House since any hon. gentleman on this side of the House rose to speak on the Budget. I am afraid I cannot congratulate my hon. friend on making any better success than his eight predecessors in attacking the proposals of the Minister of Finance. If, however, he has illuminated no subject, he at least has been careful to visit them all. Scarcely anything has been discussed in this House for the last five years that he has not rehearsed in the course of his long speech, except possibly that feature of the Budget proposals which alone is new, and which demands discussion most. The hon. member commenced with a recurrence to the cry with which we were all so familiar nineteen years ago, that ruin and calamity were coming upon this poor country—that want and misery were abroad in the land. I waited with some anxiety, at all events with some curiosity, wondering by what talisman he would judge, wondering what would be his proofs of the absence of prosperity in Canada to-day. With a great war upon us, a war that is absorbing the energies of about one-sixth of the manhood of this country and the financial resources of this country to the extent of perhaps one-third, the hon. gentleman marvels that the prosperity of Canada is not greater than it is to-day. I marvel at the prosperity that we do enjoy; I am grateful for it, and I think all Canada is grateful. Did the hon. member for Edmonton make reference to any of the usual guides by which we measure our prosperity? Did he refer, for instance, to the trade returns, perhaps the best guide of all? The trade of Canada to-day has reached the total of $1,200,000,000, which is about $200,000,000 in excess of the highest record of any year gone by, or $600,000 per day in excess of the best days in all our past. Did he make reference to the prevalence of unemployment in this country? As a matter of fact, there never was less unemployment in the history of Canada than there is to-day; every man can get work, and at fair wages. Wages were never better. Is there any dearth of capital? Is there lack of remuneration for capital?

By what guide does the hon. gentleman affect to tell us that prosperity is waning in this country at the present time? Oh, he has a proof, and I want to tell the House upon what a slender and emaciated foundation he builds the conclusion that we have no prosperity in Canada to-day. He read somewhere in a newspaper that there were 9,000 vacant houses in the city of Toronto. Does he know that over 30,000 men have gone to the front from the city of Toronto? Does he not know that in winter time it is the habit of people in all cities to live in fewer houses than at other times of the year? Does he know the average number of houses that in a city the size of Toronto would be unoccupied in winter time? He has given us no evidence at all, no suggestion of evidence, on those points. Does he, in fact, know that there are 9,000 vacant houses, or even half that number, in the city of Toronto? Oh, but he has something else. He tells us that there is some closing-out sale on Sparks street, in the city of Ottawa; hence we are at the end our prosperity; this country is in for a long period of want. I wonder what the people of Ottawa will say, those who get three meals a day—as I think all of them do—those who are better off to-day than they have ever been in the history of this country—I wonder what they will think of the proof adduced by the hon. member for Edmonton that want and misery and lack of prosperity are abroad in this country to-day.

The hon. member was also very seriously alarmed about our financial condition. Well, the Budget is indeed the occasion on which to take our financial soundings, and ascertain where, as a country, we are. It is well for us to compare our present financial condition with that of other years, and I purpose to follow the hon. gentleman in the course he then pursued, although I must admit that though I struggled honestly and with difficulty to gather from his remarks the points he intended to make, I was none too successful. However, I followed him earnestly until at last he started on a long mathematical aviation and got entirely lost in the clouds, I do not know whether he knows what he was steering for, but I am certain that I do not. He is alarmed because, he says, the extravagance of the Government is extracting $50,000,000 more in taxation than it ever did before. I do not know how he

arrives at his figures, because I was not able to extract that information from his address, but I assume that he means there is to be $50,000,000 more revenue next year than there was last year. If he means that, he is not far out, because we expect $50,000,000 more revenue in 1916-17 than there was in 1914-15, but not much more than there is this year, 1915-16. The Minister of Finance has stated the outstanding features of our financial condition so clearly that they must be in the minds of all. In 1914-15 we had a revenue of $133,000,000 and an expenditure on capital and ordinary account of $187,000,000, while in the year before the expenditure was $186,000,000. There is no doubt that the expenditures of those two years 1913-14 and 1914-15 were the highest in our history. This year, 1915-16, we have a revenue of $170,000,000 and an expenditure of $125,000,000 on ordinary account and $40,000,000 on capital account, or $165,000,000 altogether, making an excess of revenue over all expenditures of about $50,000,000. For the coming year we expect from the same sources a revenue of about $170,000,000, the same as this year. We expect, from the extraordinary source to which we resort by the new Budget, that is, the tax on profits of business, an additional revenue, which is estimated to amount in three years to $30,000,000, and which next year will perhaps bring, on account of the retroactive feature, betweeen $10,000,000 and $15,000,000. But, leaving that out of account, we anticipate from the sources now in force about $170,000,000, and our total expenditure is anticipated to be $160,000,000, that is, $135,000,000 of ordinary expenditure and $25,000,000 of capital expenditure. So that, aside from what we shall gather in by the new taxation, we should, on the anticipation of the minister, have a surplus next year of $10,000,000 over both capital and ordinary expenditures. I do not know that there is any dark feature here. In addition, of course, we have our war expenditure and our interest charges, included in which is a good deal of expenditure that ought correctly to be attributed to the war; I refer to the extra interest charges which arise by reason of the war alone. Next year those charges will amount to $22,000,000 consisting of extra interest charges, $20,000,000, and pensions, $2,000,000. Those are surely war charges. Out of the $165,000,000 that we spent altogether this year, there should be deducted about $9,000,000 caused by the war alone, so that, if we take that off, we shall have a surplus over capital and ordinary expenditure of about $14,000,000. That is not so bad when we consider the fact that, during the whole fifteen years when hon. gentlemen were in power and when there was no war at all, they had an average deficit year in and year out of $5,436,314 of ordinary and capital expenditure over revenue. On the contrary, up to the time when the war began we had an average surplus of revenue over capital and ordinary expenditure of $1,348,400.

I have tried thus to give succinctly a review of our finances for two years gone by. I was surprised to read some remarks made by the hon. member for Rouville (Mr. Lemieux) in regard to this part of the Budget speech. He, too, became greatly alarmed. He first of all emphasized his adherence to our war policy, emphasizing his earnest desire that no resource of this country should be spared to bring to our Mother Country, to France, and the other allies, our whole strength in this war, and he closed with the same laudible sentiments. But between the two he interspersed words that were calculated to make this country restive under our war expenditure, and he tried to show that we were going much too rapidly into debt for war. I do not think he should shake his head; if he asks me to refer to Hansard, I shall be only too ready to do so. He called upon us to follow the example of nations which are governed well. He said: "Why do you not do as England does, the country that is the best governed in the world, and curtail your expenditures in war time?" I am going to make a comparison between what this country is doing and what England is doing, in order to show the hon. member for Rouville that we are doing a great deal better than England is in the way of curtailing expenditures during the war. I have prepared a statement along that line. The expenditure in Great Britain in 1915-16, including the war vote, is £1,132,654,000. Deducting from that the war vote of £978,000,000, you have £154,654,000, the expenditure of Great Britain this year for purposes outside of war, subject to considerations that I am going to mention. There must, however, be added to this the ordinary navy and army expenditures which in other years are paid in the usual way, but which now are paid out of the war vote. This makes an addition of £80,435,000, from which should be deducted £32,000, which now is paid out of ordinary expenditure, leaving £80,403,000 to be added to the ordinary expenditure of Great Britain outside of war. That makes a total of £234,057,000, the

ordinary expenditure of Great Britain outside of war, from which there is still one deduction to be made. That deduction is in respect of national debt charges, which are greater now by reason of the war, and which in national book-keeping come out of ordinary expenditure.

The addition on account of war charges on the national debt amount to £28,777,000. Take that from £234,057,000, and you have a net expenditure for Great Britain this year outside of the war of £205,280,000. This shows a net increase for Great Britain in a year of war of £1,806,000; and they had a net increase in four years of twenty per cent, outside of war altogether. That statement is carefully made up, and on my responsibility as a member of the House I say it is correct.

Great Britain's Expenditure, 1915-16.

Total expenditure including war vote	£1,132,654,000	
Less war vote	978,000,000	
		£ 154,654,000
Add to this saving from previous year (now included in war vote)—		
Army estimate	£51,550,000	
Navy	28,885,000	
Less	£80,435,000	
Nominal vote	32,00	
	£80,403,000	80,403,000
		£ 234,057,000
Deduct extra charges as follows (really war charges)—		
Estimate 1915-16 re national debt	£51,446,000	
Actual 1914-15	22,669,000	
Estimated excess deducted	£28,777,000	28,777,000
		£ 205,280,000
Actual expenditure 1914-15		203,280,000
Increase 1915-16 over 1914-15		£ 1,806,000

I have also a statement on similar lines for this country, and I will give the figures. In Canada we have an expenditure this year outside of the war of $165,000,000. Add to that expenditure what we save in our Militia Department, which is ordinarily charged to ordinary expenditure but now is paid from the war vote, $5,700,000, and you get a total of $170,700,000. Take from that the increased charges on the public debt by reason of the war, $9,102,591, and you have a net expenditure of $161,587,908, which expenditure we should have whether there was a war or not. So, instead of there being any increase over last year, there is a decrease of $25,760,641. This is our reduction in the year of war as against an increase for Great Britain of almost half as much, or £1,806,000. Now, is the hon. member for Rouville prepared to give us the credit that, the other day, he was so willing to give to the Government of Great Britain. The table follows:

Canada's Expenditure 1915-16.

Estimated expenditure 1915-16 (not including war vote)	$165,000,000.00	
Add diminution in Militia appropriation (now paid from war vote)	5,700,000.00	
		$170,700,000.00
Charges re national debt—		
1915-16	$22,077,009.78	
1913-14	13,353,518.91	
Excess	$ 8,663,490.87	
Plus pensions, 1915-16	449,097.70	
Extra amount (really a war charge) deducted	$ 9,112,591.57	9,112,591.57
		$161,587,408.49
Expenditure 1914-15—		
Net (deducting war vote)		187,348,050.32
Decrease in 1915-16 over 1914-15		$ 25,760,641.83
Decrease in 1915-16 over 1913-14 ($186,241,047.63)		24,653,639.14
Increase over 1908-09 ($133,441,524.29)		28,145,884.20

Mr. LEMIEUX: How much has this Government increased its expenditures in four years?

Mr. MEIGHEN: I am coming to that next, and it will be worse for the hon. gentleman than what I have just given. We have diminished our expenditure for 1915-16 as compared with 1913-14, aside from the war, by $24,653,639; and the increase since the hon. gentleman was in power—going back to 1908-9, and comparing that with the year 1915-16—is only 21 per cent. That is, this country in seven years has increased its expenditure by only 21 per cent, and the British Government has increased the expenditure in four years by 20 per cent.

The hon. gentleman made a casual reference to the expenditure of the Government of France. The only reason he did that, I fancy, is that he did not know there had been an increase by the Government of France. You cannot get the figures for 1915-16; at least I could not; but I apprehend that they would be more to my advantage than those of 1914-15, which I have before me. I find that

the expenditure of the Government of France for 1914-15 shows an increase of 25 per cent as compared with four years before. That of Australia is still more, and that of New Zealand still more. And these are the governments held up to us as an example by the hon. member for Rouville

He was not content, however, to make a general racing charge against the Government of increasing the debt. By the way, the debt had diminished until we entered the war. But what was the policy of hon. gentlemen opposite in regard to the debt? The hon. member for Edmonton (Mr. Oliver) says that the late Government went out of power because they appealed to the country on a policy of lower taxation, that is, lower revenue. If they proposed lower revenue, I know another thing that they proposed, and that was a great deal higher expenditure. Their proposed expenditure in 1911 was over $156,000,000.

Mr. OLIVER: The hon. gentleman has not quoted my position correctly. I did not say the late Government were going to collect less money; I said they were going to collect their money at a lower rate.

Mr. MEIGHEN: The hon. gentleman said their policy was lower taxation.

Mr. OLIVER: Sure.

Mr. MEIGHEN: He was going to get more revenue by a lower rate of taxation?

Mr. OLIVER: Certainly; that was what we did in the fifteen years we were in power.

Mr. MEIGHEN: And we kept their low rate, as he calls it. He says that they themselves increased taxation from $36,500,000 in 1896 to $113,000,000 in 1916. We charged the same rate that they did, until last year, when it was increased by 7½ per cent. Up to that time there was no increase, but rather a diminution of the rate.

Mr. OLIVER: My hon. friend must have forgotten about the session of 1914, when this Government imposed duties that he said would yield larger sums during that half year.

Mr. MEIGHEN: Inland revenue duties.

Mr. OLIVER: No.

Mr. MEIGHEN: All that was done was a very small change in the tariff, but whatever was done had the effect of a diminution in the rate of taxation under the tariff up to the outbreak of this war.

Mr. OLIVER: I do not agree with that.

Mr. MEIGHEN: The hon. gentleman agrees with nothing; but the figures are here.

Mr. OLIVER: I say that an increase was made in the tariff.

Mr. MEIGHEN: Then it was an increase to change from 17½ per cent to 12½ per cent on farm implements. The tariff was increased in 1915—a level increase of 5 per cent preferential and 7½ per cent general. Up to that time we had the old rate. And what does the hon. gentleman say resulted? He says that in the fall of 1913 workingmen were marching the streets of the cities of Canada with banners inscribed "Bread or wages" and "Steal or starve." That was the result of the low rate he boasts of, for it was still in effect in 1913.

Mr. OLIVER: That was the result of the hon. gentleman's bad administration.

Mr. MEIGHEN: In retaining the low rate of hon. gentlemen opposite, I suppose. What I was saying before the hon. gentleman interrupted me was that he said his Government went to the country on a policy of lower taxation. I say that they went to the country at the same time on a policy of higher expenditure, because the Estimates for 1911 were in all $158,716,929; their revenue the year before was only $101,000,000; so that they went to the country on a policy of increasing the national debt annually by over $57,000,000. That must have been the intention of the hon. gentleman in 1911. The people of Canada can hardly help but be grateful that they were turned out of office.

Mr. OLIVER: Does the hon. gentleman say that we increased the national debt yearly by $50,000,000?

Mr. MEIGHEN: No. But the hon. gentleman says they proposed lower taxation than before. In the previous year their taxation yielded $101,000,000. Their proposed expenditure when they went out of office was $158,000,000. Therefore they proposed to increase the national debt by $57,000,000 a year. How do you get out of it?

The hon. member for Rouville went through a long array of figures. I should like to know the source of them. I have searched diligently and with care, and I cannot learn where he got them. I have taken a few instances. I notice that he got into an altercation with the hon. Minister of Labour (Mr. Crothers).

I just mention this as an example; it is not the most extravagant, by any means. In fact other portions of his remarks were far worse than this, but this is the subject upon which he got into the altercation with the Minister of Labour, and the one upon which he promised to establish his position to the very hilt. We have the figures concerning the Department of Labour, over which the hon. gentleman himself presided in days gone by. He complains that since 1910-11—which, he says, was Canada's banner year—although our revenue went up nearly fifty per cent the next year and the year after—the expenditure of the Department of Labour was so much, and that now it shows an increase of fifty per cent. Does the hon. gentleman believe that to be true? There he sits—but he speaketh not. I want to tell him that the expenditure this year in the Department of Labour is not fifty per cent more than it was when they went out of office. It is not any per cent more at all; it is less than it was in 1910-11, less than it was when they went out of office. But I shall not leave it at that; here are the figures. The expenditure in the Department of Labour in 1910-11, which my hon. friend refers to as the banner year, was $146,527.98. The expenditure in 1911-12 — for which also hon. gentlemen opposite are responsible, as we came into power on October 7, 1911 — was $156,167.99. In the next year it was $140,934.95, or $16,000 less Labour Department was $121,655.55, a diminution of $40,000 in one year. The next year it was $140,034.95, or $16,000 less than it was in 1911-12, and about $6,000 less than it was in 1910-11. In 1914-15 the expenditure was $130,030.73, or less than it was in 1910-11 by $16,000, and in 1911-12 by $26,000. These are the actual figures; how does the hon. gentleman argue that we had an increase of fifty percent? Just the way he argues everything; he simply makes the assertion, hoping that before it is caught up it will get abroad and do a little good for his party. But that is not the whole story concerning the Department of Labour. I am aware that the hon. gentleman was not himself at the head of that department during the years that I have mentioned; it was then presided over by Hon. Mr. King, in whom, I have no doubt, my hon. friend still has absolute confidence. But the department was under my hon. friend's charge in 1907-8, for the most part in 1908-9. In 1907-8 the expenditure was $84,723.74, and in 1908-9, $112,204.39. By 1910-11, in a period of four years, the expenditure had increased not by fifty per cent but by seventy-four per cent—and hon. gentlemen opposite were in power. This may account for the manner in which my hon. friend was mixed up in the figures that he gave to the House. Seventy-four per cent was the increase in four years, thirty per cent was the increase in three years. The hon. gentleman himself was not bad at increasing the cost of the Labour Department. In 1906-7 the expenditure was $41,282.12, and in 1907-8, $84,723.74. He managed while himself the minister to run the expenditure up in one year by 100 per cent or a litlte more.

Reference has also been made to expenditures in other departments; I am ready to take in review any that are challenged. There have been increases in expenditure. As time goes on and as the country prospers and advances, the services of Government must increase. That is the tendency of the age; that is the tendency of civilization. The function of the state increases; the function of the individual diminishes. The state invades fields one after the other. The Post Office Department, for instance, invades this field and that; it performs functions that were left to private competition before. The same takes place in every place in every department of Government, and always will take place. When you find a Government not extending its services from one field to another, you may make up your mind that it is time for a change of Government.

Under the extraordinary conditions that obtain to-day, we must refrain from expenditures that otherwise it would be expedient for us to make—and we are so refraining. We diminish the expenditures in one year from $187,000,000 to $165,000,000. Next year we reduce to $160,000,000. Oh, hon. gentlemen say, your estimates are $158,000,000 for ordinary expenditure and about $30,000,000 for capital expenditure, a total of $188,000,000. It has been stated over and over again in this House, on the responsibility of the Government, that, as long at all events as the war lasts, the Government does not intend to expend any of that money in excess of $135,000,000 ordinary and $25,000,000 capital. Then, say hon. gentlemen, eliminate from the estimates the amount that you say will not be spent. Well, that is a debatable question, but it is not debatable that the money will not be spent. The authority of the

Government is behind the statement that that money will not be spent. These moneys are in the Estimates because, year after year, they have been voted and re-voted by Parliament. They were in the Estimates before the war began; they are continued in the Estimates now. We do not know what may take place, but we do know that as long as the war lasts—yes, and after the war, until the necessary money can be found—these works will not be gone on with. New works will not be commenced. Even works that are under contract will be curtailed. We must do all that in us lies to conserve the energy and strength of the country, and to direct it toward the paramount purpose of the war.

I wish to say a word as to those features of the Budget that pertain to the tariff. It would have been unlike the hon. member for Edmonton if he had taken his seat without making some reference to the tariff. Since 1911, the tariff has been, in the mind of the hon. gentleman, the origin of all evil. Before that time it was, he thought, the origin of much good. But since 1911 the tariff has become a ghost, a spectre to the hon. gentlemen for Edmonton. In this duty on apples—yes, even in the duty on oil—he finds something wrong, something mysterious. I wonder how it is that he and the hon. gentleman for Assiniboia cannot possibly understand this duty on oil. Neither of them has been able to get it into his mind at all; both have said from their places in this House that they cannot understand it.

Mr. TURRIFF: Hear, hear! As clear as anything in the Budget!

Mr. MEIGHEN: The Opposition financial critic said the Budget speech was remarkably lucid. Then what more does he want? I think it was as plainly put by the Minister of Finance as words can clothe a thought. But it does not work out in such a way that he can make an argument out of it from the viewpoint of what he calls the "crucified" western farmer, therefore he cannot understand it. The Minister of Finance, referring to this subject, said:

> We also propose a duty of one-half cent a gallon on oils, petroleum, not including crude petroleum imported to be refined, or illuminating or lubricating oils, ·8235 specific gravity or heavier at 60 degrees temperature.

Now, where is the intellect that can possibly conceive that illuminating oils are included in the duty? "A duty on oils, petroleum, not including illuminating oils." The hon. member for Assiniboia assumed, prima facie, from that that the poor farmer of the West was going to have to pay on all his oil, and the hon. member for Cape Breton (Mr. McKenzie) assumed that the little babies were going to have to be sent to bed without a lamp. How could the English language make it clearer that there is no imposition of duty on illuminating oil? If that is not clear I cannot help the hon. member for Assiniboia. There is something else that the duty applies to, but in respect to which it effects a substantial reduction:

> This change will include heavy distillates that are now assessed duty at two and one-half cents a gallon and which have been chiefly imported into the prairie provinces.

The duty on heavy distillates now charged is 2½ cents, plus 7½ per cent, and it is changed to ½ cent on a gallon. Any difficulty about that? It is a reduction of 2 cents. The reduction is really more than that, as the old rate of duty was 2½ cents plus the war tax of 7½ per cent, so that there is a net reduction of about 2½ cents on heavy distillates, and these heavy distillates are used by the farmers of the West. Anything that is still not clear? Heavy distillates are used in the internal combustion engines in that country to the extent of about 1,000,000 gallons a year, as estimated by one of the officials of the department. So there is a saving there to the farmers of the West of some $25,000.

Oh, but this apple duty, that is going to ruin him; an increase of 50 cents a barrel on apples. Well, in the first place, there is no increase of 50 cents a barrel on apples, but that is about the closest I have ever heard the hon. member for Assiniboia get to the exact facts when he is using figures. The real increase in duty is about 25 cents a barrel. Surely the hon. member can understand that 40 cents a barrel was the rate before the war time; 7½ per cent was added; 7½ per cent a barrel on the lowest class of apples brings the duty to 56 cents and on the best class of apples to about 70 cents, an average of about 65 cents a barrel. That is a net increase of 25 cents a barrel. Twenty-five cents a barrel, they say, is going to be a ruinous burden pressing down these men, some of whom were described by the hon. member for Assiniboia as making $5,000, $10,000, $15,000 or $20,000 a year, and who he said were insulted because they were not asked to pay some of these new war taxes. Each of these men will be using a barrel of apples a year, but not much more. Even if the

whole duty is added, I do not think there is a family that will pay more than 75 cents or $1 in one year in additional cost.

Mr. TURRIFF: My hon. friend has a poor opinion of the farmers.

Mr. MEIGHEN: Does my hon. friend mean that four barrels a year is not an outside estimate of the quantities of apples to be used by one family? Am I not pretty generous? I know I do not use that. That would be $1 a year, supposing the whole duty were added. What an awful calamity for the western farmer!

Mr. TURRIFF: One more burden, that is all.

Mr. MEIGHEN: The hon. member for Edmonton (Mr. Oliver) states that there is $20,000,000 invested in land devoted to the fruit industry in British Columbia. He quotes from a newspaper to that effect —$20,000,000 invested in some 30,000 acres. Now, it is a well known fact that if the cultivators of that land get the benefit of the increased duty to the extent of enabling them to market a larger proportion of their products, it will be a benefit, not to the combines or the trusts or the bloated capitalists or any body of that sort, for whom the hon. gentleman has such a horror, but it will be a benefit to a struggling man, the fruit farmer of British Columbia, admitted to be struggling by every honest citizen of this country. This is doing just what was done in other days for the grape growers of this country, who were protected. The protection first given to them did not prove enough, and a little increase was added. The result has been that we in Canada can now buy the best grapes in the world at about the lowest price. The price is kept down by the competition among the grape growers of this country. It is hoped the same thing will take place in respect to apples.

At six o'clock the House took recess.

The House resumed at eight o'clock.

PRIVATE BILL.

CONSIDERED IN COMMITTEE—THIRD READING.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Further consideration of Bill No. 19, respecting a patent of James W. Owen.—Mr. Middlebro.

[Mr. Meighen.]

Mr. OLIVER: What is the article that is being patented under this Bill?

Mr. MIDDLEBRO: The Bill stands in my name more as a matter of form than anything else. The matter came up in the Private Bills Committee, it was thoroughly discussed there, some amendments were made, and the committee thought it right that the Bill should pass. I do not even know what the article referred to is; that shows how much I know about it. There has been an objection from year to year about these Bills which are introduced to renew patents, and I thoroughly agree with that objection, but until we get some uniform law dealing with the question, it seems to me that we cannot make fish of one and flesh of another. The Deputy Minister of Agriculture suggests that after the war is over the patent fee be reduced, as it is in the United States, and that the patent cover a uniform term of 18 years, so that we will not be bothered when a man forgets to pay his six-year term fee and then comes to have his patent reinstated. There is no objection, as I understand, to this patent going through with the amendment which was made to the Bill on the advice of the Deputy Minister of Agriculture. I do not know anything more about the Bill than that; it merely happens to stand in my name.

Mr. OLIVER: I am not particularly inquisitive, but I think we ought to know what the article is before we agree to it. However, if the rest of the House can stand it, I can.

Bill reported, read the third time, and passed.

THE BUDGET.

Consideration of the proposed motion of Sir Thomas White (Minister of Finance) for Committee of Ways and Means resumed.

Mr. MEIGHEN: The only remark I have to add by way of linking what I have to say with what I have said in regard to the slight alteration in the tariff, is that if this small extra duty results in saving the amount of capital and the years of toil that have already been expended in the apple industry in British Columbia, and in tiding them over the present invasion of apples from the south, caused by the extraordinary and tremendously unnecessary production of the Western States, the cost will be a trifle relative to the great results achieved. Furthermore, the cost, in so far as, for the

time being, it may fall in very slight and almost imperceptible degree on the farmers of the West, will be repaid to them by the service they will get at the hands of their fellow farmers in British Columbia. While I am on the point, it will be noted that the half cent that is now made the duty upon fuel oil, will come entirely out of people other than agriculturists; it will come, in the main, if not altogether, from manufacturers and railways. I am not surprised that we have no comment upon that fact from hon. gentlemen from the West on the opposite side of the House. The taxation in that item alone levelled against these people, against whom these hon. gentlemen are never tired of hurling their diatribes, is many, many times, even pro rata, greater than what is being asked to be paid to save the apple industry of British Columbia. I do not want to be understood as saying that 25 cents a barrel can mean the salvation of a great industry. I am not in a position to estimate just the extent of the benefit that will result. The change in the tariff is not made for the purpose of adding to the price that the British Columbia farmer will get for his apples. It is for the purpose of extending the area of his market and protecting him against unfair and unhealthy competition. I understand that the farmers of British Columbia would be quite willing to enter into an arrangement with farmers' organizations of the prairie country to ship them apples for the coming year, or perhaps more than a year, at the actual cost of the apples themselves, but under present conditions it is argued that their selling price is in no sense fixed by themselves, that they have practically nothing to do with it, and that they are undersold by this tremendous overproduction in the western states, with the result that they are almost helpless.

We are through with that phase of the subject. The large phase of the Budget proposals remains, namely, that portion of its proposals which asks the great industries of this country to give of their surplus profits to help the country to tide over the financial stress of this war. In comparison with these proposals, everything that has been discussed by the hon. member for Edmonton—yes, and by the hon. member for Assiniboia, and others on that side of the House—in the way of taxation pales into comparative insignificance. This great order placed upon the people of this country by the Budget, against the fruits of industry, not against industry itself, represents a toll of between $30,000,000 and $35,000,000—I defer to the figures of the Minister of Finance, if I quote them correctly—in a space of three years. There is a large toll exacted from which every farmer in every portion of Canada is exempt, and it is exacted in such a manner that it cannot be in turn taken from the pocket of the consumer. It is exacted in such a manner that it comes from the extraordinary profits of industries, profits that are in a large degree, in many cases, perhaps not in all, caused by conditions brought about by the war. I know just as well as hon. gentlemen opposite that the farmer of this country, be he in the West or in the East, is in no sense averse to paying his share of taxation. I know that he is quite ready to pay his share. I know that an agitation is abroad in our western country, fomented by the hon. gentlemen who sit beside him to-night, an agitation to endeavour to make the farmers of the West believe that they have here at Ottawa some awful enemy, an enemy who is in alliance with the large manufucturers and the controllers of capital in Canada, and who adopts a method of taxation that not only bears heavily upon them, but, in the few words of one hon. gentleman opposite, that "crucifies" them. I do not believe that that is the prevalent opinion among the farmers of the West. I know it is not the prevalent opinion in Canada, and, what is surer still, I know that it is not a fact. Hon. gentlemen opposite know that that it is not a fact. It sounds very flat indeed—the assertion of my hon. friend from Edmonton and of those lesser lights who sit behind him, that this Government is supported by great interests and is here for the purpose of serving great interests. It sounds very flat indeed in the light of the truth that the great proportion of the taxes required to carry on this war are to be levied against those great interests themselves, while the men whom hon. gentlemen opposite claim to be crucified are to be exempt. And they are exempt, not because they should not pay their fair share of taxation —not at all; they are ready to pay it. But they are exempt for this reason, that the first and greatest burden of taxation should come upon those who are best able to bear it. That is the principle we have adopted. As I said a moment ago, we are not taxing industries; we are not enacting any legislation that is going to frighten capital from this country. Industry is what we want in this country, and capital. But, says the hon. member for Rouville (Mr. Lemieux), capital already is being frightened from Canada; and the financial critic of the

Opposition, the hon. member for Halifax (Mr. Maclean), says that we have not large stores of capital in this country—that in fact there is a dearth of capital in Canada. How do those statements harmonize with the contention of their friends from the West who sit behind them, that this Government is the friend of capitalists and is increasing capital at the expense of the farmer? We are not taxing industry. We are taxing the extraordinary profits of industry, after those profits have been earned and ascertained, and we allow to incorporated companies 7 per cent before their profits are touched, and only a quarter above that is taken; and to individuals and partnerships ten per cent before their profits are touched, and then again only a quarter is taken. We are not taxing or injuring industry. You cannot injure anything unless you get to its foundation, unless you get to its source. We are not touching the vitals of industry at all. To use the words of Mr. Asquith, we are taxing not the potential germs but the gathered fruits of industry, and by taxing the gathered fruits we shall never strike a blow at industry at all.

It is argued—or at all events it was argued, and a statement of the policy of the Government clearly made and repeated several times does not seem to deter those who still advance an argument inconsistent with it—it was argued for a time that companies over-capitalized would get an advantage over companies honestly capitalized. That argument, in the first place, is not consistent with the contention of the hon. member for Oxford that we have no right whatever to touch capitalization that is legally made, and he says that all capitalization is legally made, because it is made in consonance with the laws of this country. However, it has been made clear in this House over and over again—and the definition is already in the Bill—that the Government will not allow companies whose capitalization is unfair, unduly disproportionate to their actual assets, to get an advantage by that over-capitalization. It would be a practical impossibility to get at the exact assets of incorporated companies, and to ascertain precisely what their stock should be valued at. That it is impossible and for the reason that it is impossible to go behind the capitalization and effect that exact estimate, we are allowing a larger percentage of the profits of partnership and individuals to escape free, than what we allow to incorporated companies. There might have been added the further reason that incorporated companies are the creation of the state, and being the creation of the state, they became the beneficiaries of the laws of the state differently and in addition to the manner in which partnerships and individuals become the beneficiaries of the laws of the state. They have certain rights and protections as incorporated companies, and for that additional reason I contend that it is only fair that a larger percentage of profit should be accorded partnerships and individuals than what should be accorded to incorporated companies.

It has also been argued that the process of allowing a revenue upon capital before the tax takes effect will tell against those companies who, though they are incorporated, have a very modest capital, and who by proper business management have gathered up reserves; which reserves have gone into plant and betterment and which in fact are actual capital and entitled to some consideration as such, though not appearing as capital on the books of the company. That point has been covered by the Minister of Finance. On the 22nd of this month he plainly stated to the House that such reserves, in part at all events, and to the extent that they could be fairly called capital, would be so treated; so that to the full extent that it is in the power of this Government to accord equal treatment we propose to so accord it. Those companies that are over-capitalized we shall, as fairly as we are able to do, place on the same footing with companies capitalized more in consonance with their actual assets.

The hon. member for Edmonton came along with another contention, and I must say that I was rather surprised that he did. I do not know that there is any use in answering it. I do not know that there is any use in stating the facts to the House, and the foundation of the facts, because it has already been done. It really seems of no value whatever to lay facts before hon. gentlemen opposite. They still come along with flippant fiction; they still flare before us the same old sentences. But I am going to try it once more. The hon. member for Edmonton says that we have been taking great care of the munition men, that we have been guarding them against ocean rates, raised as they have been by war conditions, and that we have left the farmer to take care of himself. It is only about three days ago that the facts in that regard were placed on Hansard in detail, and placed on Hansard by the very man who has control of those vessels requisi-

tioned by the British Government. This man has control of all the vessels on which these munitions go. Could there be any better authority than he? He ought to know. I am going to repeat the facts on the authority of that gentleman. I am quoting from his actual letter, in Hansard of February 23. He stated that in all the vessels that have been requisitioned by the British Government for the carriage of munitions and for the carriage of supplies the products of the farm had occupied on those vessels 78.31 per cent of the total capacity, and that the munition makers had obtained only 7.67 of the capacity. In other words, the men that the hon. member for Edmonton says are favoured get one cubic foot of space, and the farmer who is "crucified" gets ten cubic feet.

Mr. OLIVER: Since the hon. gentleman is giving information, would he tell us the rate that was paid on munitions, and the rate that was paid on the wheat?

Mr. MEIGHEN: Just exactly on the same basis. They are all fixed by the British Government. We have nothing to do with it.

Mr. OLIVER: What was the rate in each case?

Mr. MEIGHEN: The British Government has the basis for fixing the rate. We have nothing whatever to do with it. There is no favoritism whatever. Whatever advantage the munition man gets, the farmer gets too. Does the hon. member wish to say that the British Government is in league with this Government in getting after the farmer of Western Canada?

Mr. OLIVER: I certainly have no information as to any person transporting wheat across the ocean at a favoured rate.

Mr. MEIGHEN: Nor did the munition men get any favoured rate. Why does the hon. gentleman charge us with having requisitioned vessels for the munition men, and not for the farmers?

Mr. OLIVER: If my ears did not deceive me, some time ago I heard the hon. Minister of Marine and Fisheries (Mr. Hazen) inform the House from a printed or written document that that was the case, that the munitions were being taken across the ocean at a rate that compared favourably with the rate that prevailed before the war. I know that no wheat is being taken across at such rates.

Mr. MEIGHEN: The hon. member for Edmonton has not read what the hon. minister said more carefully than he has read what I said. The Minister of Marine and Fisheries stated that certain vessels of the British Government had been obtained on the request of this Government for the carriage of supplies for the British Government from Canada. The British Government neither requisitioned nor commandeered any vessels except for the carriage of British Government property, and after the British Government had commandeered these vessels, they were placed in charge of a director of transports, who took charge of the transfer of all British Government property from this country, and of that property 78.31 per cent was the product of the farmers of Canada.

Mr. OLIVER: Will the hon. gentleman inform the House if wheat was carried in those vessels at a lower rate than wheat was carried in other vessels crossing the ocean under ordinary conditions?

Mr. MEIGHEN: I would rather presume so, but that is not the point at all.

Mr. OLIVER: That is the point.

Mr. MEIGHEN: I quite understand the hurry of the hon. member for Edmonton to get away from the utterly incorrect and misleading statement he has made to the House.

Mr. OLIVER: I made no statement to the House except on the authority of what I heard the Minister of Marine and Fisheries state to the House.

Mr. MEIGHEN: We had nothing to do with the making of the rates and consequently we could give no preference. The British Government had the making of the rates; they had a system for doing it, and the farmer who ships 78 cubic feet on a vessel gets the same advantage as the munition manufacturer who ships 7 cubic feet.

Mr. OLIVER: All I can say, then, is that the Minister of Marine and Fisheries misinformed the House, if I understood him correctly, because I understood him distinctly to say that the munitions manufactured in Canada were carried across the ocean at a rate that was either the same or that compared favourably with the rate that prevailed before the war. Now, either he said that or he did not say it.

Mr. MEIGHEN: If the hon. gentleman says he said it, he should quote what the

Minister of Marine and Fisheries said. That may be all he has to say now, but he had a lot more to say when he was on his feet, and I am answering what he said then.

Mr. OLIVER: I am asking a straight question, and as the hon. gentleman is desirous of entering into a discussion, will he be good enough to give me a straight answer.

Mr. MEIGHEN: I do not know that I am called upon to spend ten minutes here in looking up Hansard because the hon. gentleman has misunderstood the Minister of Marine and Fisheries.

Mr. OLIVER: I did not misunderstand him.

Mr. MEIGHEN: If the hon. member understood the Minister of Marine and Fisheries to say what my hon. friend says he said, why does he not quote his statement as a foundation for his remarks?

Mr. OLIVER: I think I laid a good enough foundation.

Mr. MEIGHEN: Why did he not give his statement to the House?

Mr. OLIVER: I am giving it to the House now.

Mr. MEIGHEN: No, my hon. friend is giving only a misunderstanding of it that he himself has.

Mr. OLIVER: Perhaps the minister himself, as he is so determined on the point, will give it to the House.

Mr. MEIGHEN: Perhaps so. It will not be the first time that we on this side of the House have performed services that hon. gentlemen opposite should have themselves performed for the benefit of the House.

Mr. OLIVER: Let us have it.

Mr. MEIGHEN: The hon. member for Edmonton also—

Mr. OLIVER: I do not get my answer, eh? I see the hon. minister does not see fit to give an answer to my question.

Mr. MEIGHEN: I have not the speech of the Minister of Marine and Fisheries before me, and it is the duty of the hon. gentleman from Edmonton to quote from it.

Mr. OLIVER: The hon. minister has contradicted me. Let him read the proof.

Mr. MEIGHEN: I have contradicted my hon. friend and proved my assertion. The hon. gentleman may say that I am wrong, but he says: "I misunderstood the speech of the Minister of Marine and Fisheries and"—

Mr. OLIVER: I did not say that I misunderstood his speech; I deny that I misunderstood it.

Mr. MEIGHEN: My hon. friend says he misunderstood it if he was wrong, and he was wrong, so he must have misunderstood it.

Mr. OLIVER: It is your privilege to put it that way. I did not misunderstand it.

Mr. MEIGHEN: I will show my hon. friend another place where he is just as flagrantly wrong. In fact, it would be one of the most difficult tasks that I ever attempted to pick out a sentence in his address which is in accord with the facts. He repeated—I suppose on the authority of that most infallible man, the hon. member for Assiniboia (Mr. Turriff)—certain allegations about the export of nickel.

Mr. OLIVER: Yes, I said that the assertion had been made in the House and had not been denied.

Mr. MEIGHEN: It has been denied time without number, and I will read the denial from the returns. There have been laid upon the table of the House within the last four weeks, papers showing absolutely that there is not an atom of fact in the statements of hon. gentlemen opposite—in particular the statement of the hon. member for Edmonton. There have been before the House for over a year papers showing that there is an utter absence of fact in what they say.

Mr. OLIVER: As to what?

Mr. MEIGHEN: As to the nickel situation.

Mr. OLIVER: As to their being nickel at Sudbury?

Mr. MEIGHEN: The hon. member thinks that all he told the House was that there was some nickel at Sudbury. His argument was: "You pass a regulation putting an embargo on the export of wheat, on the export of flour"—my hon. friend has for the time being become quite a protagonist of the miller—"on the export of practically all our manufactured goods, on the export of oatmeal also, and you are all wrong in doing so. What you ought to do, if you want to be truly patriotic, is to put

an embargo on nickel." That is the contention of my hon. friend.

Mr. OLIVER: I did not say that.

Mr. MEIGHEN: That is not what he said? Unfortunately Hansard is not yet transcribed, but if my hon. friend reads it to-morrow, he will see that is perilously near what he said.

Mr. OLIVER: Just as near as my hon. friend usually gets when he quotes.

Mr. MEIGHEN: That is nearly what he said—

Mr. OLIVER: That is not what I said.

Mr. MEIGHEN:—that we should put an embargo on nickel, and not on wheat, flour, oatmeal, horses, etc. Now, I propose to take that matter up. In the first place, if there is or has been a duty on this Government since it came into power to place an export duty on nickel, it would indeed be interesting to inquire why that duty did not also exist during the fifteen years that hon. gentlemen opposite were in power.

Mr. OLIVER: Hear, hear.

Mr. MEIGHEN: The hon. member for Edmonton says, "Hear, hear." The question was put to the hon. member for Assiniboia by the Minister of Finance: "If we are playing false to the best interest of Canada, to allow nickel matte to be shipped out of Canada in order to be refined in New Jersey, how is it that your Government was not false also, because, while it was in office, it put no export duty on nickel and allowed the same thing to continue for about eleven years during which the nickel industry was in existence." How did the hon. member for Assiniboia answer that question? "Oh," he says, "the old Government was all wrong; they should have put an export duty on nickel. I went to them and asked them, and I pleaded with them,"—and I have a photograph of the hon. member for Assiniboia pleading with the hon. member for Edmonton to put an export duty on nickel. I wonder what the answer of the hon. member for Edmonton was to the hon. member for Assiniboia. The hon. member for Edmonton was a member of the late Government, and he must be understood as having said that under the conditions that existed it was not in the interest of the country to put an export duty on nickel. Now, I do not contend that it was. For myself, I do not think it was. For myself, I am quite certain it would not be at the present time. I am quite certain it never has been the proper course, at all events, since this war took place. I am strongly inclined to the belief that it has not yet been the proper course. But it is difficult to conceive the state of mind of an hon. gentleman who will argue that as soon as war began it was the proper course of this Government to put an export duty on nickel. Before I take up the argument in the main, I should like to quote to the House the statements made in this connection by the hon. gentleman to this House. I dwell with some emphasis upon this point, because the situation with regard to nickel involves the very fidelity of this country to British interests. If this Government is guilty of a fraction of what is charged against it by the hon. member for Assiniboia, there is not a member of the Government but should be indicted. For words of a member of Parliament on this subject to go broadcast throughout this country and throughout this Empire, charging this Government with being in league with Germany in nickel production and nickel supply, is a serious matter indeed, no matter who that hon. member may be. What did the hon. member say? At page 1095 of Hansard he is reported:

> First of all, we in Canada own 85 per cent of all the nickel that has ever been discovered.

The hon. member for Edmonton, I think, went him one better, and said that we controlled the nickel of the world. In the first place, we do not own 85 per cent of all the nickel discovered; we do produce about 85 per cent of the nickel that is produced. By virtue of the policy pursued, the nickel industry of this country has been developed to the extent of producing the nickel ore from the mine and the manufacture of it into nickel matte; and consequently we have reached the proud position of producing about 85 per cent of the nickel produced in the world. I am very glad to see that the hon. member for Assiniboia is placing Hansard before the hon. member for Edmonton; I hope it is his own speech to which he is calling attention. The hon. gentleman went on:

> Of all the mistakes that this Government have made during the past year or two this is one of the greatest. I charge this Government with being absolutley unfair to Canada; I charge this Government with standing in with the Huns, our enemies,—

Mr. TURRIFF: Hear, hear.

Mr. MEIGHEN:

—in so far as they have refused to exercise their power to prevent the exportation of nickel to the United States.

That is to say, the Government that would not prevent the exportation of nickel to the United States would be standing in with the Huns of Germany. And the hon. member for Assiniboia, who has not yet seen the record, says "Hear, hear." He goes on:

Here we are supplying our enemies with nickel with which to make their armour plate. Canada has it in her power, and has had it in her power ever since the war began, to prevent the Germans from getting any further armour plate to build their battleships, and the Government have refused to exercise this power. What have they done to prevent our nickel going to Berlin to make guns and warships to kill our sons? Nothing, and I charge them with that dereliction of duty.

The hon. member nods in approbation. Yet he has not yet seen the record. He goes on:

This Government did not hesitate one moment to stop the farmer and the miller from exporting wheat and flour to enemy countries, and it did not hesitate to prevent others from exporting other articles of commerce in the belief that it would not be to the advantage of the Empire to have them exported to Germany, Austria, or Turkey.

Further on he states:

But all the nickel that is produced by the Canada Copper Company at Sudbury goes to the International Nickel Company. It is shipped to New Jersey, refined there, and sold by them to Germany, because the Krupp people are big owners of the International Nickel Company.

The House will remember these words: "The Krupp people are big owners of the International Nickel Company." He goes on:

When war broke out nickel was worth from 20 to 24 cents a pound. This company immediately held up the British Government for fifty cents a pound. Canada allows it to be taken free to the United States, there refined, and sold to our enemies at whatever price they choose to pay for it, because they control it; but Great Britain has to pay fifty cents a pound for it.

He says further:

The International Nickel Company have been making from $1,000,000 to $2,000,000 a month, every month in the year, or $25,000,000 a year, and they have been making this huge profit out of the ore that we are supplying them with.

Further on he states, at page 1196:

The worst feature is that it enables our enemies to get all the nickel they want. Those are the plain facts of the case.

It will be noted that the hon. gentleman states that these are the plain facts of the case. At another point, page 1197, he takes care to observe: "I always speak of things I know."

Now, what are the plain facts of the case? In the first place, it becomes necessary for me to place upon Hansard the correspondence upon this subject that has been upon the table of the House—

Mr. TURRIFF: I read it.

Mr. MEIGHEN: —for over a year. Not all, but nearly all, of the correspondence I shall read—sufficient to disprove absolutely everything stated by the hon. member for Assiniboia—was laid on the table of this House on the 11th of February last. That correspondence shows that after the outbreak of the war an arrangement was entered into between the Government of Canada and the International Nickel Company, with the approval of the Government of Great Britain—and not only with the approval, but with the unqualified approval, and with a special note from that Government, appreciating the conduct of this Government for its action in the interest of Great Britain and her Allies. I should like to ask the hon. member for Assiniboia, who still laughs, whether he accuses the Government of Great Britain of being in allegiance with the Huns? The Government of Great Britain are with us on this nickel policy, not partially, not in principle alone, but in detail. They have approved of every step taken as being in the best interests of this Empire. I ask the hon. gentleman again: Does he say that the British Government are in alliance with the Huns in this matter?

Mr. TURRIFF: Just as much as they are in alliance with this Government in allowing the manufacturers of munitions and shells to charge four prices for each article they produce.

Mr. MEIGHEN: The answer of the hon. gentleman is scarcely worth referring to. It is obvious to any man who has the interest of his country at heart that the details of the arrangement which I have mentioned could not be made public. If we were to make that arrangement public, we should be acting contrary to the desires of the British Government; and, aside from any express desire on the part of the Imperial authorities, we should obviously be acting prejudicially to the best interests of the British Empire and her Allies. The correspondence that took place after that arrangement had been consummated shows

whether or not the steps taken should be acceptable to the people of Canada and of the Empire. The following is a telegram dated at London, December 10, 1914, from Sir George Perley, High Commissioner, to Sir Robert Borden:

Placed your letters regarding nickel before Hopwood last Monday.

Who Hopwood is will appear in a moment.

Have appointment to-morrow discuss matter with him.

Perley.

Here is another cablegram, dated December 11:

Hopwood considers present arrangement regarding nickel perfectly satisfactory.

Perley.

On December 15 the following letter was written by Sir George Perley to the Prime Minister of Canada, from 17 Victoria street, London, S.W.:

Dear Sir Robert Borden:

I duly received your letter of November 20, enclosing copy of a report made by Mr. Graham Bell regarding the arrangement for the purpose of preventing the enemy from obtaining nickel, and also copies of other communications on the same subject. I at once communicated with Sir Francis Hopwood, who is chairman of the sub-committee here for the purpose of curtailing enemies' supplies, and with whom I had previously discussed the same question a couple of times. I showed him all the papers, and afterwards met him and talked everything over, after which I cabled you that he considers the present arrangement regarding nickel to be perfectly satisfactory. He kept the papers to show to Mr. Churchill, and has just sent them back to me with a note saying that they think the Bell report quite satisfactory. They expressed themselves as very appreciative of the steps which you have taken to assist them in this important matter.

Mr. OLIVER: Would the hon. gentleman be good enough to explain what the important matter was?

Mr. MEIGHEN: It is stated in their letter. That was the arrangement—absolutely to prevent the enemy from obtaining nickel.

Mr. OLIVER: Who is Mr. Graham Bell?

Mr. MEIGHEN: He is the financial comptroller of the Department of Railways and Canals in this country, one of the ablest civil servants in Canada, and so denominated by the hon. ex-Minister of Railways, the member for South Renfrew (Hon. George P. Graham) two years ago in this House.

Mr. OLIVER: As I understand it, this Government was making arrangements for the purpose of protecting the interests of the Allies in regard to Canadian nickel, and the British Government expressed itself as being satisfied with these arrangements.

Mr. MEIGHEN: Yes, absolutely. The papers were laid on the table of the House over a year ago. The following cable was sent by Sir Robert Borden to Sir George Perley on December 23, 1914:

We understand that the British Government are quite satisfied with arrangement already made and outlined to you for checking export of nickel from Canada, but as complaints are being made in press that such nickel is reaching enemy, we desire to have your confirmation of our understanding before issuing statement to that effect. Please answer immediately.

On December 24, Sir George Perley cabled as follows:

Prime Minister, Ottawa:

Hopwood, Chairman Restriction Enemies' Supplies Committee, charged with such matters, assures British Government quite satisfied with arrangements made by you regarding nickel. Appreciates steps you have taken to assist them in this important matter. Wrote you this effect December 15.

Perley.

Before I leave the central part of the subject, let me add—I am justified in adding this, because it does not go into the details of the arrangement in any way—the following: this same official of the Government has had access to the books of the International Nickel Company, with its friendly consent. He has had all the access that he required or asked for to enable him to check to the full the carrying out of that arrangement. Having had that access, and as a result of that inspection, knowing whereof he speaks, Mr. Graham Bell gives me such assurance that I can categorically say to the House that not one pound of Canadian nickel has reached the enemy since the war began.

Mr. OLIVER: It is thoroughly understood, I believe, that Germany is using a great deal of nickel. Where does Germany get her nickel?

Mr. MEIGHEN: I do not know how much nickel Germany is using; I do not know whether the hon. gentleman does or not. I do not know whether she is using a great deal or not; I very much doubt it. I do know, however, that nickel can be procured from copper; that nickel is by-product in the production of copper and, I believe, of other metals, and that scrap nickel can be picked up the world over. The British Navy has succeeded pretty well in checking the ambitions of Germany with regard to the gathering of scrap nickel, and nickel which is the by-product

of copper and other metals, but I do not think that the British Navy has succeeded in checking the importation of nickel into Germany as fully as we have succeeded in checking, by means of the arrangement with the International Nickel Company, the export of Canadian nickel to Germany. It is a fact that cannot be contravened that by virtue of that arrangement, not a pound of nickel sent from this country, at Sudbury or anywhere else, has reached the enemy since the war began. There is a considerable production of nickel in Sweden.

Mr. TURRIFF: Would the hon. gentleman say how he knows that none of this nickel goes through the International Nickel Company into Germany? It may go to Belgium, Holland, Sweden, Roumania.

Mr. MEIGHEN: I have already explained how I know that; I repeat that the arrangement forbids it. It is true, of course, that the arrangement might be violated, but the arrangement is not violated, and we are in a position to know that through the inspection of an officer of this Government. How better could we know it than through the inspection of an officer who has the absolute confidence, I think, of every one in this House?

Mr. TURRIFF: There is no doubt the officer has the confidence of the people of this country, but my hon. friend stated that it was through the kindly offer of the Nickel Company that he was able to get this information. But, supposing the International Nickel Company was exporting nickel that got to Germany, would they show that to our inspector?

Mr. MEIGHEN: They could not avoid it. The system of inspection absolutely covers that point. They could not do it under the system of inspection, and the British Government ratifies the arrangement. Surely the system that is good enough for the British Government might be good enough for the hon. member for Assiniboia.

Mr. OLIVER: There are many complaints in England that the British blockade is not effective.

Mr. MEIGHEN: Certainly there are complaints that it is not effective against nickel, and perhaps some other things that have got on the water, but as respects this nickel, our blockade is so effective that not a pound has ever got on the water. The British Cabinet does not have to come in at all. When the main statement of the hon. gentleman for Assiniboia is refuted he makes a lot of wild and turbulent assertions as foreign to the facts as his main charge. He stated that the International Nickel Company was controlled by the Krupps of Germany, that Germany could pay just what she liked for nickel, and that Great Britain had to pay fifty cents a pound more than the price before the war. Controlled by the Krupps? The hon. member for North Oxford (Mr. Nesbitt), who is a business man, on the same side of the House as the hon. member for Assiniboia, said in this House within a week that he himself was aware of the constitution of that company, aware of its personnel, and that he knew that no such people had any influence whatever in the International Nickel Company. Does the hon. gentleman say that the hon. member for North Oxford did not say that? He shakes his head, but he will not go on Hansard as saying that.

9 p.m.

Mr. TURRIFF: Yes, I will go on Hansard as saying that the hon. member for North Oxford told me that the Krupp people were the owners of a certain amount of stock in that company, and I would ask my hon. friend if he thinks the Krupp people would put the majority of the stock in their own name if they owned it.

Mr. MEIGHEN: Here is what the hon. member for North Oxford said:

> There was one point made by the hon. member for North Simcoe (Mr. Currie) regarding which I would like to say one word. He said that the nickel industry in Canada was controlled by Germany.

I have read the speech of Mr. Currie and I cannot find any such assertion in it. He goes on:

> I know some officers of the nickel corporation and I know that there is not a human being in Germany who has any control, or who has anything to do with the Canadian nickel interests.

That is very clear, very definite.

Mr. TURRIFF: That is what they told him.

Mr. MEIGHEN: He says he knows it. Why did the hon. gentleman contradict me a few minutes ago when I told him that the hon. member for North Oxford said that?

Mr. TURRIFF: They told him that. I would not take a German's word.

Mr. MEIGHEN (reading):

I think the ministers know that as well as I do. I have been told by officers of the nickel company that they would be willing to have any investigation that might be thought desirable to clear away any doubts as to German control.

Mr. TURRIFF: I would not take a German's word.

Mr. MEIGHEN: The hon. member for Assiniboia—and I may say to him that the less he talks on this subject the better whether from his seat or elsewhere—stated that the Krupps and German-Americans owned and controlled that company. He said further:

It is shipped to New Jersey, refined there, and sold by them to Germany, because the Krupp people are big owners of the International Nickel Company.

Now, this matter has been open for inspection and has been inspected, and the extent to which any stock of that company is held in any enemy country is clearly known. I will read to the House a letter which shows the full extent of that ownership. It is a letter written by Mr. Bostwick, assistant president, to Mr. Graham A. Bell, dated November 24, 1914—and these facts were not only confirmed on inspection later, but remain substantially true to-day, at all events, there is less stock owned in enemy countries now than then. The letter is addressed to Mr. Bell and is as follows:

The statement that the Krupp's are interested in the International Nickel Company has again been made as shown in the attached article from the Journal of Commerce.

To our positive knowledge, the Krupp's have absolutely no influence in the affairs of the International Nickel Company, and it is our implicit belief that they have no ownership of any securities of the company.

Our list of stockholders on record shows that only 158 shares of common and 263 shares of preferred stock are owned by stockholders resident in Germany and Austria. An examination of the list of stockholders on record is open to any one of our Canadian stockholders, and we shall be glad to extend the opportunity of examining the same to you should you so desire.

This constantly recurring and erroneous statement of Krupp's ownership and influence in this company is becoming exceedingly annoying, and we trust that some means can be speedily found by which it can be definitely refuted.

Mr. OLIVER: How many stockholders?

Mr. MEIGHEN: He says 158 shares of common and 263 shares of preferred, a total of 428 out of 469,441 shares, or less than one share in a thousand. So the people who the hon. gentleman says have control own less than one share in a thousand of the stock. There is a sort of nebulous shadow, one one-thousandth part, of truth in what he said. The Canadian Pacific Railway Company would be a German corporation according to the argument of the hon. gentleman, as the stock of that company is largely held in Germany and Austria—I believe more in proportion than that of this company; in fact, I am informed by the Prime Minister that it is very much more. No more absurd suggestion could be offered to the House. But if the word of his colleague is not sufficient to convince him, surely the facts as revealed to an old and reliable official of this Government, and as also revealed in the document of record, should be sufficient to allay any doubt raised by him or any one else in the minds of the people of this country.

Mr. TURRIFF: From whom did our officer get the information?

Mr. MEIGHEN: From the books of the company.

Mr. TURRIFF: Yes.

Mr. MEIGHEN: That is not enough? The hon. member for Assiniboia gets his on the street. It is understood that somebody said something to somebody else, and it got in the papers through somebody else, and that is enough for him to act upon and make assertions in the House. But it is not good enough for an officer of this Government to examine the books of a company. Of course, the hon. member is authority for the statement—we have his own imprimatur for it—that he never states anything in the House of Commons except what he absolutely knows.

Well, he knew something else. He said that when the war broke out the price of nickel was 24 to 25 cents a pound, and that they immediately raised it to the British Government to 50 cents a pound, and let Germany have it for just what she wanted to pay. It has already been established that Germany never got any of it for 50 cents, or at any price.

I will next proceed to show that his figures in regard to the cost of nickel before and since the outbreak of the war are equally astray, one about as much astray as the other. The arrangement involved the price of nickel, and I am at liberty to state the arrangement in so far as the price of nickel is concerned. The price of nickel to the British Government in very large quantities before the outbreak of the war was £160 per ton, or approximately, at the

rate of exchange that then prevailed, 34 2/5 cents a pound. These facts are also made clear by the inspection of the books of the company itself, and they are clear and known to the trade everywhere. The price continued at that figure. I can put the facts on the record in this regard rather better by reading a letter of the company which was received to-day by Mr. Bell, and which is in accord with the results of his own investigation, and embodies the facts brought out by that investigation. But, inasmuch as his report involves other facts that should not be disclosed, I shall put it to the House in the form of the letter which I have here from the company, the statements contained in this letter being known to Mr. Bell to be correct:

February 28, 1916.

Your code message did not reach me last night in time to get the information asked for by you in your hands this morning, and I trust that the message just sent you will reach you in due time.

When I last saw you, I gave you a memo. as to the price at which the Ministry of Munitions were purchasing for account of the Allies, and this price of £175 sterling f.o.b., New York, is applicable only to purchases made for account of Russia, Japan, etc. In the case of shipments direct to the Ministry of Munitions in Great Britain for consumption there, our price is £175 per ton delivered United Kingdom port.

That much less to Great Britain than to the others, owing to the fact that they buy in much larger quantities.

The price to the British Government at the outbreak of the war was £160 sterling delivered in the United Kingdom. This, at an exchange rate of $4.87 is the equivalent of 34⅘ cents per pound.

A very material difference from 24 or 25 cents.

At the time that the price of £175 was established—

That, by the way, was part of the arrangement into which the Government entered—

—we had been negotiating with the Ministry of Munitions and they fixed, with our approval, the price of £175 delivered United Kingdom port, taking cognizance at that time of the increased expense of transportation, insurance and loss in exchange.

The contract that we have just recently closed with the Ministry for delivery over the balance of this year is at £175 delivered United Kingdom port, which, at the current rate of exchange, $4.76 works out to 37⅖ cents per pound. On the first deliveries to be made against this contract, the increase in freight to the United Kingdom port over the normal rate prevailing before the war, the cost of war risk insurance and the difference in exchange, assuming that $4.76 will obtain at the time of payment, amounts to 2·34 cents per pound, so that this increase in cost of shipping, if deducted from the delivered price, makes the price to us 34·86 cents per pound comparable with the price of 34·8 cents ruling before the war.

Practically the same figure, aside altogether from the extra cost which is to be referred to.

This, as you readily see, does not begin to compensate us for all the extra expense in connection with manufacturing and shipping, and no increase in price has been made on our part, due to the extra cost of materials and labour in our mining, smelting and refining operations.

That is to say, that the extra cost being taken into consideration, they are selling now at less to the British Government than they were before the war. These facts, as I have stated them here, are attested correct by the inspection of the officer of the Government whose inspections have been periodical, and at very close intervals, ever since the war began.

Mr. OLIVER: Did my hon. friend say that they were selling less, or at a less price?

Mr. MEIGHEN: They are selling at about two cents and a small fraction more, which just compensates them for the increased freight rate, but with no compensation at all for the increased cost of material, labour, and expenses of handling in the United States after the outbreak of war.

Mr. OLIVER: I was asking as to the quantity.

Mr. MEIGHEN: They are selling more. I was not able to get the output to Great Britain, and I do not wish to state it to the House authoritatively, but Mr. Bell informed me that it was 25 or 30 per cent more than in 1915. That makes it clear that by virtue of this arrangement effected by this Government, with the approval of the British Government, the price of nickel to the United Kingdom has been maintained at a rate less indeed to the company selling it than before the war. In face of these facts, which are established as being correct in the only way that facts can be established, a member rises in this House and states that this arrangement permits nickel to go to Germany at any price they want to buy it at, and doubles the price to Great Britain, since the war. But he did not stop there. He told us that we had permitted this company to make a profit of $25,000,000 a year. That is a pretty good profit. He could have had access to the balance sheet of the company: at all events, he could have had access to

the last published on the 31st March, 1915. I have that balance sheet before me. It shows the dividend paid, it shows the profits made, and the profits, as established by the balance sheet, are not $25,000,000 a year at all, but are represented by the sum which was put aside and added to the reserve, namely, $309,377.71, plus what was paid in dividends, $5,288,693.50, or a total of about $5,590,000, instead of $25,000,000, as stated by the hon. member for Assiniboia. These are the profits of the company which are being paid now, as shown by the balance sheet. I do not think I am saying anything that I should not say in regard to the corporation. Profits are now being paid at the rate of 20 per cent per year, which I think will not be contended to be—I know it will not be by one hon. gentleman who has spoken already in this debate—a high percentage for a mining company which extracts something from its capital every year and embodies it in its profit; that is to say, that some of the capital of the company always appears in the profit that is shown by the balance sheet. So far from having a profit of $25,000,000 a year, they have something like $5,590,000; so far from being controlled by a corporation of people in Germany and Austria-Hungary, they have only one share in a thousand; so far from doubling their usual rate against Great Britain, they are selling at a less rate to themselves than before the war; so far from giving nickel to Germany at any price they want to pay, there has not been a pound of nickel sent by that company, or through that company in any way, to Germany or Germany's allies since the war began.

Mr. OLIVER: What was the period during which they made that profit of $5,590,000?

Mr. MEIGHEN: The year ended March 31, 1915.

Mr. OLIVER: Just a year?

Mr. MEIGHEN: Yes, but they were not paying 20 per cent before that. They have only paid that for one quarter. Previous to that time, instead of 5 per cent per quarter, they were paying 2½ per cent per quarter, or 10 per cent per year, and, on the preferred stock, 6 per cent.

There may be said to remain only one feature of this question which I have not covered; that is to say, as to whether or not it would be possible by an export duty on nickel to bring to this country the refineries that are now in New Jersey and make all the profit Canada's, and not merely part of the profit. If it could be done by the ordinary means, by means not too drastic, and which would not involve other countries in antipathy to us, I certainly should be in favour of that being done. Hon. gentlemen opposite say that the cardinal point of our offence, where we erred most grievously, was in not putting an export duty on nickel after the war began. When hon. gentlemen stand up and ask us to place an export duty on nickel to prevent its exportation now that the war is on, I say that, to put it mildly, they have not a very serious sense of responsibility, if they understand the facts at all. In the first place, to place an export duty on nickel would mean the prevention of a supply of nickel for making the munitions of war ordered by Great Britain and her Allies in the United States. Is that a consideration that appeals at all to the hon. member for Assiniboia? Does he think that this Government should have prevented the exportation of nickel, and thereby prevented the Allies of this Empire from obtaining munitions of war in the United States? According to his own argument, it would do it.

Mr. TURRIFF: No.

Mr. MEIGHEN: It would not do it? They could still make munitions without nickel?

Mr. TURRIFF: No.

Mr. MEIGHEN: They could not? If they could not get nickel, then how could they make munitions of war?

Mr. TURRIFF: It could be refined in England, for instance.

Mr. MEIGHEN: How could the United States get nickel if we sent it to England to be refined? Would it be shipped back to the United States, and used there for making munitions of war?

Mr. TURRIFF: Yes.

Mr. MEIGHEN: Then, this is the proposal of the hon. member for Assiniboia. We should put an export duty on nickel to the United States, compel our nickel matte to go over to England to be refined, have it shipped back to the United States, and there made into munitions to supply the Allies in this war. That would be a decidedly economical arrangement.

Mr. TURRIFF: It could be refined in Canada.

Mr. MEIGHEN: Has the hon. member any idea how long it would take to establish refineries in this country, even if they

were practicable from a business standpoint. What is my hon. friend's idea of the time necessary?

Mr. TURRIFF: Make your own speech.

Mr. MEIGHEN: I think he will let me alone now! He refuses to answer for the first time. The one in this country who should know best, one who has made a study of the subject and who is unprejudiced, tells me that to establish refineries to the extent that would be necessary for the purpose would take about a year. Does the hon. member think that we should have stopped the utilization of Canadian nickel for a length of time that at the beginning of the war would have appeared longer than the war would last? Would that have been sensible business? Would it have been sensible for us to have incurred the antipathy, or at all events the possible antipathy, of the United States by denying to that country the only source of supply whereby they could be of real use to our Allies? It is a question that involves the attitude of that country towards Canada, and it is a question that also involves the attitude of Great Britain towards this country; for Great Britain in the course of this war should have something to say as to how we control our policy in regard to this vital asset. And the British Government has stood beside the Government of Canada, and has said that the course we are taking is the best course not only in her interests, but in the interests of our Allies as well. I think it is only fair to assume, and I know the people of Canada will assume, that the British Government know their own business in this matter just a trifle better than the hon. member for Assiniboia.

I have no intention of further detaining the House; but before I sit down I apologize to the House for reverting to just one phase of the early discussion that I think should be kept in mind by the hon. members when they consider, as every man seriously does, the condition of this country from a business standpoint in view of the tremendous responsibility we are facing now. It has been argued by hon. gentlemen opposite that we pay no attention to the call of economy, that we go ahead throwing away money here and there, employing civil servants beyond number, squandering the assets of Canada, and taxing the people of Canada to make good the loss. All that is said in sentence after sentence, and without very much attempt to ascertain the actual facts. But it is important that the people of Canada should know the actual facts, and know what confidence to place in these wild and rambling assertions. The assertion has been made in this debate that we have added some 11,000 to the Civil Service since 1910-11. Well, in the first place, the Civil Service of Canada has expanded, not so much in personnel as in extent; it covers a much greater service than it did in 1911. We have services that were never in existence then. We have other services which have been amplified, which are reaching out their good offices and doing more and more year by year for the people of this country. Hon. gentlemen opposite know it. They talk lightly about expenditure in the Post Office Department. But they do not state that the expenditure means that the mails of this country are year by year being carried in greater and greater degree to the very doors of the farmers of this country. That is an extension of the service that involves an additional cost of over a million dollars. Hon. gentlemen do not admit that we have added parcel post to the service of this country, and that by virtue of the parcel post system a large portion of the extra expenditure is accounted for. When they state that about 11,000 have been added to the Civil Service, if they have listened to what has been delivered in this House and have read what has been placed on the table in this House, they ought to know that that is not a fact. It is true a return has been brought down showing that after allowing for resignations and dismissals there have been 11,000 appointments. Does that show that there are 11,000 more civil servants? It does not show it, and the hon. member for Edmonton knows it. He well knows that month after month in this country we make temporary appointments as the demand appears. For instance, as has been shown many a time, in almost all the larger post offices of this country three, four or a dozen extra men are taken on, and sometimes hundreds in the large cities, just for the Christmas season. That accounts for hundreds, yes thousands, of those eleven thousand. The number of civil servants did not increase by reason of those appointments; the appointments were made, but the appointments lapsed with the expiration of the temporary period for which they were made. That applies all through the Civil Service. When you eliminate this factor, the result is not only justified but demanded. The increase that has taken place, whatever it is, was demanded by the

amplification of the Civil Service, and the greater service that is being rendered the people.

Mr. PROULX: Does my hon. friend believe that the increase of business at Quebec warranted an increase of 180 civil servants in the post office?

Mr. MEIGHEN: The hon. gentleman has been informed by the Postmaster General, who I think ought to know, that there has been no such increase at all.

Mr. PROULX: The figures were given by the hon. member for Rouville (Mr. Lemieux) the other evening.

Mr. MEIGHEN: The hon. gentleman was not in the House this afternoon, or he would never quote the hon. member for Rouville.

Mr. PROULX: He quoted the figures brought down by the Postmaster General.

Mr. MEIGHEN: No, he did not quote. The hon. gentleman does not see the difference between a quotation and a mere assertion. He simply made the assertion. I took up one of those assertions of his this afternoon, and made a few quotations which did not altogether harmonize with the assertion. It seems to have passed out of the minds of hon. gentlemen opposite altogether that in the expenditures we have made we have been paying the promissory notes made by hon. gentlemen opposite when they were in power. They find fault with us for paying the debts they incurred, for discharging the obligations they fastened upon the necks of the taxpayers of this country. We have spent over $60,000,000 completing their National Transcontinental railway. I hope they are satisfied with the returns that are coming in from that road. We are paying $14,000,000 on the Hudson Bay railway, and we take full responsibility for that ourselves. We endorse that road; we stand behind it. Does the hon. member for Edmonton repudiate that road?

Mr. OLIVER: Certainly not.

Mr. MEIGHEN: I wish he would convert some of the hon. gentlemen around him. They would like us to stop with the road half built.

Mr. OLIVER: I repudiate Port Nelson.

Mr. MEIGHEN: Does my hon. friend repudiate the Quebec bridge? We take full responsibility for Port Nelson and for the Hudson Bay railway. We intend, if the resources of this country are sufficient for the purpose, having regard to all our other obligations, to carry that work through to completion, and to make it of service for our western country; but, besides the Hudson Bay railway and the National Transcontinental railway, we have the Quebec bridge that flutters still like a hideous nightmare before this country, and that has been hanging over us year after year. We have spent on the Quebec bridge alone some $10,810,500 and it is not nearly completed yet. For these items alone we have spent something over $85,000,000 since we came into power. Furthermore, when the hon. member for Edmonton speaks about the facility with which the Minister of Finance should be able to raise his money, does he recall that, by virtue of a certain implementing clause, the Minister of Finance has had to raise some $34,000,000—I think more than that—in order to redeem the bonds of the Grand Trunk Pacific Railway?

Sir THOMAS WHITE: Nearly $40,000,000.

Mr. MEIGHEN: Of course, that is by way of investment. I do not contend that that is added expenditure, but there is about $12,000,000 of it which we have had to pay out and which is added to expenditure. On those four items alone there has been added to the expenditure of the country over $97,000,000. Now, who is responsible for that expenditure? Are hon. gentlemen opposite not responsible? For three of them they alone are responsible and for the other one they are jointly responsible with us. But we do not care about their responsibility; we take it upon ourselves; we are going ahead with the work, and we hope to make it a success—I refer to the Hudson Bay railway.

Now, I do not know that we are in such a bad position. Let me epitomize our financial statement. We have for next year a contemplated expenditure of $160,000,000, $20,000,000 of which represents added interest next year because of the war and nothing but the war, and $2,000,000 for pensions.

Mr. OLIVER: And what amount of war debt?

Mr. MEIGHEN: The amount that it would take to make $20,000,000 yearly at five per cent.

Mr. OLIVER: Yes. You charge up everything.

Mr. MEIGHEN: No, we do not; we charge up war debt only. The hon. member can get a statement of that at any time that he wants it. $20,000,000 for interest charges and $2,000,000 for pensions make $22,000,000 which is, strictly speaking, a charge against the war, although it does not so appear on the books of the country. That amount deducted from $160,000,000 would leave $138,000,000, the contemplated expenditure for next year. The expenditure of hon. gentlemen opposite in 1909, seven years ago, was $133,500,000 and, in 1909, the revenue was just half of what it is this year. Is that extravagance in Government?

Mr. OLIVER: Sure.

Mr. MEIGHEN: Oh, no, it was seven years ago. I do not think the hon. gentleman understands what the extravagance of his Government was.

Mr. OLIVER: There is $50,000,000 more taxation now.

Mr. MEIGHEN: $50,000,000 more taxation and, with it we have to pay $85,000,000 that hon. gentlemen opposite incurred, to say nothing of the war.

Before I sit down I feel it my duty to speak on my own behalf—and I know that I can speak on behalf of the Government of the day—in regard to a remark that fell from the lips of the hon. member for Rimouski (Mr. Boulay), who sits on this side of the House. I did not understand his remark at the time, but in his remark, which I will quote as I translated it myself—and I think I translated it correctly—I do not associate myself and this Government does not associate itself. The hon. member for Rimouski stated that one of the less desirable features of our immigration was the immigration of Jewish people. He further stated that it should be the policy of the Government to restrict that immigration, and that they added nothing to the wealth of this country. In so far as I have come into contact with the Jewish people, they are a creditable people from end to end of this country, and at this time, when hon. members on both sides know quite well how the adherents of that faith throughout Canada are joining hands with ourselves in the awful struggle which we are now engaged, and in doing their full share manfully, cheerfully, and effectively, it is our duty to say that we welcome them to these shores as we have always done, and that we hope they will come in larger numbers in future years. I say that with no idea of catching votes, because they would disdain such a thing at my hands. I know that the same sentiment prevails with hon. gentlemen opposite as does on this side of the House.

Coming from Western Canada, and representing a district that is devoted to, and the prosperity of which is founded in agriculture, and almost in agriculture alone, I am doing no more than justice to the Minister of Finance of the day when I say that the people of that country will regard his Budget proposals of this year as not only eminently fair, but as eminently generous in respect of the farmers of Western Canada. I know they will take them—and no reasonable man can take them otherwise—as a demonstration that he and this Government have at heart the best interest of agriculture and the best interest of Canada in general, and that there is nothing more remote from either the intention or the policy of this Government than a desire to do an injustice to the farmers, whether in the West or in the East. The burden of the war debt is being placed upon the shoulders of those who control large industries in Canada, and who, from those industries, make large profits. Upon no other does this tax fall. It may be that later on other sources of revenue may have to be tapped. For the present, however, we feel that we are raising sufficient money and that we are going far enough when we ask those who should first be called upon to pay this large contribution in order to help this country bear her share of the cost of war. This tax is equitable and just. It is also an evidence that this Government has at heart the best interests of the farmer, and it is also an evidence of the courage and resource and initiative of the eminently capable Minister of Finance who now controls the financial policy of this country. On behalf of Western Canada, I say to him that his action will be so regarded there. On behalf of the farmers throughout Canada, I believe I can say to him that it is an evidence to them that no wild and reckless assertions will ever controvert, that he and the Government with which he is associated are determined to place burdens upon the shoulders of those who can bear them best, and to offer the utmost facilities and the best possible chance for prosperity to those who are at the basis of our prosperity, namely, the agriculturists of this country.

Mr. E. M. MACDONALD (Pictou): Mr. Speaker, I always listen with interest to my hon. friend the Solicitor General (Mr. Meighen) when he assumes a task similar to the one he undertook this afternoon. Whenever a member of the Government feels that he is in a bad way, that he requires some special pleading, some argument for the defence, then my hon. friend the Solicitor General is closely briefed and called in to address the jury on behalf of the defendant. The Minister of Finance (Sir Thomas White), since he introduced this strange and curious Budget, has been hearing from the country, he has been receiving resolutions from boards of trade and other organizations; and gradually the truth is being made plain that at a time of stress and storm, when we should be conserving our resources, and when we should have an equitable system of taxation for the raising of larger revenues, the Minister of Finance is taxing industry. The Minister of Finance has heard these complaints, he knows that he is being found out, and so has called upon the Solicitor General to make an argument in his behalf. And the Solicitor General has talked about everything under the sun except the new taxation. He has been briefed with regard to the International Nickel Company, as to who their stockholders are and who they are not, where they sell their product and where they do not, and all the rest of it. He has taken up a great proportion of his speech with the discussion of matters, the information concerning which is entirely under his own hand. I leave it to his friends to deal with him, as no doubt they will, in regard to that matter. But in regard to the Budget, he descended to what might be called demagoguery, to special pleading, when he said that he would be able to tell the farmers of the West that, although every man in this land ought to bear his share of the burden of taxation according to his capacity in this time of war, yet the Minister of Finance was giving us class legislation and the favoured class ought to thank him because they are being let off. That is not the kind of statesmanship we ought to have at this time of our history. Let us have the burden of this war distributed equitably and fairly upon those who can pay—not upon one particular class but upon all classes who are in a position to pay. I shall deal with that phase of the question later on, but I propose, before going into it, to discuss the reasons that have been given for the Minister of Finance imposing taxation in the way he is doing.

The Solicitor General argued, with a temerity which was really wonderful even for him, that there had been no extravagance by this Government. Does he suppose the members of this House have not read the public accounts? Do the Minister of Finance and his colleagues believe that this country does not know the story that is writ of their extravagance ever since they took their places on the treasury benches? The keynote of their action since 1911 was given in the statement of my hon. friend from Queens, P.E.I., when he said, "Let us dash away and spend the money." That is what this Minister of Finance has been doing ever since the hon. member for Queens, P.E.I., gave the keynote. Let me take one statement at the close of the Solicitor General's speech. He dealt with the charge made from this side that 23,000 civil servants had been appointed since the Government came into power. He suggested, by a species of innuendo, that no fault should be found with that because the men they had appointed were working very hard. But, after dodging all around the question, he admitted that 12,000 more civil servants are now in the employ of this country than there were in 1911. Every practical man knows that the population of Canada is about what it was five years ago. Will any sane person suggest that a government is economical in employing 12,000 more civil servants than we had five years ago? Will it be pretended that, with no increase in the numbers of our people, we require 12,000 more men to carry on our public business than we did before?

But this story does not rest merely upon the number of men appointed. Take the statement issued by the Minister of Finance under his own hand with regard to the cost of collecting revenue, a matter which is under the control of the Minister of Finance, for he is the one who is supposed to keep the hand of check upon his reckless colleagues. According to this statement issued by the minister, the cost of collecting revenue in this country in 1910-11 was $24,951,636.34. Now, let me call your attention to what has been done by this economical Government whose eulogy has been sounded by the Solicitor General for its prudent management of affairs. The cost of collecting revenue last year was no less than $42,232,952.94. In other words, these gentlemen paid out approximately

$18,000,000 more for the collection of revenue than was paid in 1911-12 by the Liberal Government. And they have collected, not as much but less revenue. According to this blue-book, the increase in the amount of revenue collected in 1914-15 over 1910-11 is just $16,000,000. In other words, this Government pays $18,000,000 in extra expenses under the head of collection of revenue for the purpose of adding to the revenue a less amount, namely, $16,000,000.

Now, let us calmly and quietly examine the history of these gentlemen a little further. In 1914, their deficit was $21,695,224; in 1915, their deficit was $43,997,114; making a total deficit in these two years of $65,692,338.

These deficits have to be provided for; they form part of the debt of the country. My hon. friend would like the people of this country to believe that he is imposing these extra taxes on account of the war, whereas he knows in his own heart that he is using the war as a cloak to cover the extravagance and mismanagement which resulted in a deficit of $65,000,000 in two years.

The hon. Solicitor General made some curious comparisons concerning expenditures, which I shall refer to in detail later. Let us consider for a moment what the situation was in 1911. In that year the consolidated fund expenditure was approximately $87,000,000, and capital expenditure $30,000,000, a total of about $117,000,000. In 1914, my hon. friend the economist spent under consolidated fund $127,000,000, and for capital purposes $37,000,000, a total of $164,000,000. In 1915 he spent $135,000,000 on consolidated fund account, and $41,000,000 on capital account, a total of $176,000,000. This amount was $58,000,000 in excess of what was spent in 1911, with practically the same population in the country. There was no justification whatever for that increased expenditure. In 1911 the total expenditure of this country was at the rate of $16.57 per head. In 1914, based on a population of 7,500,000, the rate was $24 per capita, an increase of $8 per head, the result of extravagance and mismanagement which is clearly apparent to every hon. gentleman who studies the public accounts of Canada. In 1911, we spent $8,000,000 on public works. In 1914-15, the amount spent under this head was $19,000,000. The hon. minister talks about the Grand Trunk Pacific commitments being responsible for deficits. How can the hon. minister have the audacity to say that, when, in one department of the Government alone, the Department of Public Works, there has been an increased expenditure of $11,000,000 since this Government came into power? This year, the minister estimates that the expenditure in that department will be $18,685,000, or over $10,000,000 more than was spent in 1911 with practically the same population.

My hon. friend referred to the Post Office Department. In 1911 the expenditure of the Post Office Department was $7,954,000; in 1914, $12,800,000; in 1915, $15,961,000. Here we have an increase in five years of $8,000,000 in that department alone, with practically the same population. Yet my hon. friend the Minister of Finance has the audacity to talk about a heritage being left him by his predecessor. The hon. Finance Minister last year, in the most solemn tones that he could command, asked for the imposition of an additional tax of one cent on every letter that went through the mails of this country, for the purpose, forsooth, of meeting war expenditure. Taxes upon patent medicines and upon various things were included, the minister saying that the people should willingly accept the imposition of this taxation in order that we might thereby provide the funds to pay the interest upon the debt that we were contracting in order to fight the battles of old England. I tell you, Mr. Speaker, that the proceeds of not one of the stamps that were put upon letters in all parts of the country were devoted to war purposes. Every cent and every dollar made up from this source was appropriated by the Post Office Department for the purpose of paying the extra clerks in Montreal and Quebec, and of meeting the boundless run of extravagance that was begun by Hon. Mr. Pelletier, and that is being continued by the present Postmaster General. I should like the hon. Solicitor General to tell the House why this $3,000,000 that was wrung from the people under the guise of taxation to meet war purposes, was appropriated by the Post Office Department for the purpose to which I have referred.

The hon. Finance Minister has the nerve to say to the business interests of the country: you may not proceed along the lines upon which you have been proceeding unless you give us $25,000,000. What guarantee have we that when we meet next year the hon. minister will not apologize to Parliament, or endeavour to suppress the information, as he has done hitherto in making his financial statements, for appropriating a large portion of the $25,000,000 to

some department of the Government in order to gratify the wishes of party heelers who want offices? The Solicitor General, in his special pleading, talked about the rural mail services being extended. Well, if the rural mail service is to be extended, nobody is going to find fault if done on right lines. The idea was originated by the hon. member for Rouville (Hon. Rodolphe Lemieux) when he was Postmaster General of this country; he it was who first established rural mail delivery in Canada. But let me give my hon. friend an example of rural mail service. In the county of Pictou we have a line of railway which runs up the East river to a place called Sunny Brae, a distance of eight miles. There are four or five stations along this line of railway, and formerly the mail bags were thrown off at the station and taken by the carriers to the post offices. Thus at small expense, the whole of the people in that country were served on both sides of the river by a proper mail delivery. But a political friend of the hon. gentlemen opposite wanted to get a job, Would you believe it, Mr. Speaker, that part of the money that was taken from the people under the guise of a war tax is being appropriated to pay this man a large sum for carrying the mail up one side of the river and down the other, while the railway trains, which are running back and forth every day in that district, are not utilized for that purpose?

Mr. LEMIEUX: Pelletier and progress.

Mr. MACDONALD: It is not only Pelletier and progress; I think the present Postmaster General is also to blame for these things. Day after day, unnecessary routes are being opened to provide jobs for Conservative politicians throughout the country. My hon. friends speak about it being the duty of the Canadian people to do everything they can, in the way of men and money, to bring the war to a successful issue. Thank God, the Canadian people will stand by this issue, in men and in money; but they do not want to see their money misappropriated or obtained from them under false pretenses. That is what the Minister of Finance is doing this year, and that is what he did last year.

Previous to 1897, when this country was relieved of the incubus of a Conservative Government, there were being dragged into Canada a beggarly 20,000 people a year. In 1911, under the progressive policy initiated by the Liberal party, 315,000 people came into Canada. This shows where Canada stood in the estimation of the world, after the policies of the two political parties in this country had become generally known. Then, how many people do you suppose came into Canada last year? Only 144,000 —going down the scale again. Let us see the figures. In 1911, when we received 311,000 people, there was spent for immigration $1,079,130. Last year, when 144,000 people came into Canada, practically one-third of the number that had come in five years ago, my hon. friend the spendthrift Minister of Finance allowed the Department of Immigration to spend how much money? $1,875,000, or over $800,000 more than was spent five years before, when immigrants were coming into Canada in such large numbers. On what grounds can hon. gentlemen defend such extravagance? As a matter of fact, the results are that in 1911 it cost the Canadian people $3.46 per head for every immigrant that came into Canada, and in 1915 it cost $13.02. If the Minister of Finance thinks he can delude the people of Canada by talking about war burdens and the necessities of war while this spendthrift expenditure is going on, he is mistaken. Does he expect to be able to hide his head like the ostrich and escape all possible attention from the people of Canada in regard to this matter? It is no wonder he asks his colleague the Solicitor General to come here to-night and talk about the International Nickel Company, or any other old company, as long as he keeps away from the crux of this question, the extravagance of the Government and this useless expenditure which it is putting on the country. He is fulfilling the very apt expression of the hon. member for Queens, Prince Edward Island—he is dashing away and letting all his colleagues dash away and spend all the money, as they have been doing during the last five years.

The Solicitor General told us this afternoon that the hon. member for Edmonton (Mr. Oliver) had no business to suggest there being any doubt about prosperity in this country. Well, if he has no right to express any doubt, I should like to know what the Minister of Finance meant when, in the most solemn tones, in his Budget speech he warned the Dominion of Canada that the present prosperity was precarious and transient and dependent on the continuance of the war.

Sir THOMAS WHITE: My hon. friend, I am sure, does not wish to misquote me.

Let him read back a little and he will see that I said in so far as it depended on abnormal prices.

Mr. MACDONALD: I will read all my hon. friend wishes me to.

Sir THOMAS WHITE: Well, it is pretty good; you might do worse.

Mr. MACDONALD: He thinks so, anyway. My hon. friend said:

> Apart altogether from the higher grounds, it is to be pointed out that in so far as our present prosperity is based upon abnormal prices for our produce and upon the production of war material, it is precarious and transient, and dependent upon the continuance of the war and its conditions.

If he will be good enough to tell me to what other things the conditions of this prosperity in Canada is due besides the abnormal prices of our products—

Sir THOMAS WHITE: I should think the very excellent government we have been giving.

Mr. MACDONALD: My hon. friend is retreating.

Mr. LEMIEUX: He is dashing away.

Mr. MACDONALD: He is not dashing away; rather he is retreating very ignominiously, because if that is the best explanation he can give us and the Canadian people, my hon. friend has a very poor answer, entirely unworthy of a Minister of Finance.

10 p.m.

Sir THOMAS WHITE: I do not think my hon. friend is serious.

Mr. MACDONALD: Perhaps my hon. friend will have occasion to treat me seriously before I get through. If he can controvert a single statement I have made in regard to the expenditures, I shall be delighted to give way to him. He cannot do so, and it is of no use his making a remark of that kind, which emanates absolutely from weakness, because he knows he cannot controvert the assertions I have made.

He suggested this afternoon that he had to pay the debts of his predecessors and that the Transcontinental railway was responsible for the deficits. What are the facts? My hon. friend was carried along with the wave of prosperity initiated under the Liberal rule—and it is well known to every business man that from 1900 to 1911 there was not a day of business depression in this country—and for two years after he took office he was moving on the crest of the wave of prosperity and had no difficulty.

[Sir Thomas White.]

But what occurred to my hon. friend? He first had a reduction of the debt and then it increased again. I find that for 1914 my hon. friend increased the debt by $21,000,000. Previous to that, in 1913 and 1912, he had reductions of the debt.

Sir THOMAS WHITE: How much?

Mr. MACDONALD: In one instance $122,000 and in another instance $25,000,000.

Sir THOMAS WHITE: Can you show any such reduction in the Liberal regime?

Mr. MACDONALD: We will go down the line and see. I find a series of reductions amounting to 4, 6, 5, 3, 2 and 2 millions of dollars.

Sir THOMAS WHITE: Will my hon. friend kindly say what was the increase in the national debt of Canada from 1907 to 1911?

Mr. MACDONALD: I have not the figures totalled, but I can give them in detail.

Sir THOMAS WHITE: The increase in the net national debt.

Mr. MACDONALD: From 1907 to 1911 the increases in the debt were fourteen, forty-five and twelve millions, a total of $71,000,000.

Sir THOMAS WHITE: That is to say, in four years the Liberal Government increased the net national debt by $71,000,000.

Mr. MACDONALD: Yes.

Sir THOMAS WHITE: Until this war broke out how much did this Government increase the net national debt?

Mr. MACDONALD: In 1914—

Sir THOMAS WHITE: In 1912, 1913 and 1914?

Mr. MACDONALD: My hon. friend had just better take the result of his operations in regard to the whole matter.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: Very well, we will take it that way, although I cannot see what assistance my hon. friend gets from it. The decrease in 1911 was our decrease.

Sir THOMAS WHITE: The next year.

Mr. MACDONALD: In 1913 the decrease of debt was $25,000,000. My hon. friend had a decrease in two years and an increase in the last two years. That is my hon. friend's situation as shown here.

Sir THOMAS WHITE: A decrease of $25,000,000.

Mr. MACDONALD: Certainly, but my hon. friend is not going to say that because in one year he had a decrease of debt, that would explain the increase of debt in another year.

Sir THOMAS WHITE: The war explains it.

Mr. MACDONALD: The war does not. My hon. friend will not be able to rely on any such explanation in regard to it. He will find, if he looks at the expenditure, that the expenditure which was chargeable to capital resulted in the increase of debt in 1914. My hon. friend wants to say that this was all due to the Transcontinental railway. In that year $12,000,000 was paid on account of the National Transcontinental railway. That does not account for the $21,000,000 increase of debt. There was $9,000,000 besides that. Then, in addition, in the year 1915—

Sir THOMAS WHITE: The war.

Mr. MACDONALD: The war? Well, my hon. friend increased the debt by $113,000,000. The increase of the debt by my hon. friend in 1914 and 1915 amounted to $135,074,457.53. We deduct from that the cost of the Transcontinental railway, which he paid in these two years, and which amounted to $22,502,037.75. That leaves a debt for which my hon. friend, inclusive of the war debt, was responsible, namely, $112,572,419.78. My hon. friend charges up on account of the war last year $60,750,476.01. I have accounted for the war and for the Transcontinental railway, and still my hon. friend is responsible for a debt of $51,821,943.

Sir THOMAS WHITE: Is my hon. friend not aware that at the outbreak of the war our revenues were cut in half?

Mr. MACDONALD: I am speaking of the debt. My hon. friend this afternoon, in discussing the question with my hon. friend from Edmonton, said that it was the Transcontinental railway that caused him to go into debt. But, when we come to analyze these figures, when we take the war out, when we take out all that he can charge against the Transcontinental railway, we find that he still has put this country into debt to the extent of $51,000,000, and he cannot deny it in the slightest degree. Let us hereafter have no quibbling on the part of these hon. gentlemen about the Transcontinental railway being responsible for their having got this country into debt. My hon. friend has, by the extravagance of himself and his friends, put an additional debt of $51,000,000 upon the people of this country apart from the war and the Transcontinental railway together, and the hon. gentleman went on with these extravagant expenditures with a war on. The taxation was appropriated by the Post Office Department, and other departments, for their own purposes. It is no wonder that he has this additional debt of $51,000,000, and it is no wonder that there is a shortage of money which he is trying to get the Canadian people to make up under the guise of these excessive impositions for war taxation. That is the position of my hon. friend in regard to the matter and from that situation my hon. friend cannot escape.

The Solicitor General was trying to draw a herring across the trail very ingeniously this afternoon. He had gone and hunted up somewhere the figures of expenditure in England. Those of us who sit on the Opposition benches have some difficulty these days in getting hold of any data at all on account of the library being inconvenient. My hon. friend went into some wonderful calculations as a result of which he told us that the British people were spending £1,000,000 more than they did last year on services exclusive of the war. My hon. friend is too astute a gentleman in making an argument not to know that unless you give to the House the premises in regard to the proposition the conclusion is not worth very much. Until we see the items that go to make up that expenditure my hon. friend should refrain from making the argument.

Mr. MEIGHEN: I read them out.

Mr. MACDONALD: Yes, with wonderful detail! My hon. friend has a very luminous mind, but if he thinks for one moment that the data which he ventured to give this afternoon contains every item of which the British Budget is made up, his luminosity is not as great as he believes it is.

Mr. MEIGHEN: What I gave was all exclusive of the war. What is the difference how it is made up?

Mr. MACDONALD: It makes a good deal of difference. I venture to say that from one end of the British Budget to the other you have not $20,000,000 or $25,000,000 put in there that the Government say to the people they are not going to spend at all.

Mr. MEIGHEN: That is all that they had spent.

Mr. MACDONALD: What I would like this Government to do is to come down to this House and be frank and businesslike enough to say what they want and what they are going to spend. We have a right to expect from the Minister of Finance that, when he comes here with the Estimates for this year, he is asking only the amount of money that the Government propose to expend and that he will not come down and say: We are asking for so much but we do not expect to spend $20,000,000 or $25,000,000 of the amount placed in the Estimates. The Solicitor General recognized the weakness of the position because he said it is debatable whether that should be in the Estimates or not. But, of course, with a casuistry worthy of himself, he at once shifted his position and said that the question was not debatable as to whether this sum would be spent or not. With all deference, it does seem to me that my hon. friend has not submitted a proposition that is absolutely indisputable. To say that the Government would not spend money which was voted by Parliament if they saw fit to do so, or if political pressure required that they should do so, is to say something that is not borne out by what has already taken place in this country. I call to mind a matter on which I put a question to the Government now two days ago. There was an item providing for the expenditure on a public building in one of the counties of Nova Scotia. It was there last year. It was announced last year that no money was going to be spent. In the meantime they proceeded to spend $2,500 of that in buying a site for the public building for which money had been voted. If you can depart from this principle in one respect you can depart from it in another. If it was right to violate the statement made in the House last year, that these items were not going to be spent, by appropriating $2,500 for the purpose of buying land, it is right and proper to spend the whole amount of money. Why should not the Minister of Finance, when he comes to the people and asks them to submit to an abnormal taxation measure, put his cards on the table? Why does he not say to them: We propose to ask the country to spend a certain, definite sum of money this year? Then the people will know just what the Government are going to do. My hon. friend does not do that. My hon. friend says: It is true I am asking for so many millions of dollars this year but I want you to take my word that I am not going to spend so many millions of dollars by about $25,000,000. Is that business? What would you think of the directorate of any vast enterprise that would come to the shareholders, if they were proposing to make an extra call upon their stock, and say: Our bill amounts to $160,000,000, here are the items, and we want to tax you on your stock to the extent of $25,000,0000 or $30,000,000, but we are not going to expend the $25,000,000 or $30,000,000? Would not the shareholders say to the directors: Why not save $25,000,000 out of the Estimates and then you would not need to tax us at all? I would like to know what answer these hon. gentlemen can make to this proposition. They put Estimates before Parliament, carry them through the House, make them law, take power to spend this money and yet say: "We are not going to spend it." The only excuse that has been put forward is that possibly the war may come to an end in the meantime, and, if the war comes to an end, it would be nice to have the money there because we perhaps could spend it. There is nothing in that proposition. Nobody knows better than the Minister of Finance. Nobody knows better than he that with commitments in the form of debt of nearly $900,000,000 in this country, if the war was over, my hon. friend could not recklessly continue along the course which he began three years ago and keep dashing away with this extravagant expenditure because the people would decline to be taxed any further, and would rise against my hon. friend and see that he had no right to tax them nor to interfere with their taxation again. I submit that before my hon. friend proceeds with these proposals he should submit a list of the items to which he referred in his speech the other day, as items that would not be expended. He should let the country know where it stands, and where he stands, frankly, as a man who holds the key to the money chest of this country. My hon. friend is adopting a subterfuge in this matter. He is not playing fair with the Canadian people, and we shall watch with interest for the disclosure later on of his real reason.

The Minister of Finance proposes to tax every industry in this country from Vancouver to Halifax. When my hon. friend first made his proposals he very adroitly led the House to believe—and his press supported him—that he was taxing profits of

an abnormal character due to the war. The Finance Minister said in his speech the other day:

> Now, Mr. Speaker, there are in time of war many businesses and industries, which for one reason or another are able to maintain profits above the average return to capital in time of peace. There are others whose profits arise directly from the manufacture of munitions or the furnishing of supplies in connection with the war itself and are in some instances of abnormal character. It has appeared to the Government that persons, firms, and corporations whose profits have been such might well be called upon to contribute a share to the carrying on of the war.

And the word went forth in the Government press next day that the people who were making abnormal profits out of this war were to be taxed. But as a matter of fact it is the small business man in the villages and small towns of this country, who is engaged in a little industry that keeps his community going, whose life is part of its life, that is the man who is going to be hit. He has to pay taxes just the same as the big munition man. Under the guise of a war profit tax the Minister of Finance has gone down the whole line and taxed industry in every department, just as he added $51,000,000 to the debt of this country under the guise of war expenditure, when it was really to cover up his extravagance. The rich man under these proposals is let go. Many rich men are not engaged in industry at all. They sit quietly in their palatial homes, cutting off the coupons from their government and municipal bonds, and escape absolutely scott free under the minister's proposals, and they are the very ones who should be made to contribute first. Why, the Minister of Finance does not even pretend that these wealthy men should be taxed! He says, look at me, the wonderful Finance Minister, I am no longer under the control of the interests; I am not going to tax the farmer. And then he lets the bondholder, the Croesus in the palatial mansion, the man who is doing nothing for the building-up of the country, but sits in his chair cutting coupons and drawing dividends, go absolutely scott free; he is not made to contribute a farthing. Take the case of a man who made money out of real estate in the boom and people in the big cities all over this country did make money. These people are escaping from the Finance Minister. It is not very hard to escape from him anyway, because he is really not hunting for these people. There are over three hundred million dollars held in this country in American stocks and bonds. The owners of these securities cut their coupons and draw their interest and say: What a terrible thing this war is, and what a great thing that we and the farmers don't have to pay anything towards it. It is the poor business man in this country who is going to pay. The men holding securities have to pay nothing. My hon. friend should go to England and take a lesson from Lloyd George. He very soon got after the rich, after the landed proprietors such as the Dukes of Norfolk, Westminster and Rutland whom he made contribute to the extent of 35 per cent of their incomes.

Mr. MEIGHEN: What big landed proprietors would the hon. gentleman recommend us getting after in Canada?

Mr. MACDONALD: The Minister of Finance knows a few. If they have not the land now, they have the proceeds from the sale of the land. Many men became rich in the land boom a couple of years ago. The Minister of Finance in these proposals is shielding the rich, and extorting the war taxes from the small business men of this country, from the prospectors and miners of the Dominion of Canada. Take the case of two brothers, living in one of the smaller towns. One has $60,000 engaged in a local industry, employing men in his own community; the industry is a matter of pride locally. This man may make $10,000 a year and stays at home devoting his energies to building up the community where he was bred and born. His brother is a promoter who struck things right a few years ago and made two or three hundred thousand dollars out of some of his investments in lands or mines. He comes back home with his money and lives in the same town. Under the proposals of the minister he will not have to contribute a cent to the taxation, whereas his brother, if the $60,000 is invested in an incorporated company, will have to give up 25 per cent of his profits over 7 per cent. If he has an income of $10,000, he will have to give up at least $1,500 to the Government of the country. His brother who was lucky enough to strike things rich will not have to contribute a five-cent piece. That is the situation. The lawyers and bankers and stockbrokers with large incomes, in all the large cities of this country, will not have to contribute a five-cent piece. My hon. friend has been hearing during the last few days from the little vilages and towns where the industries are being carried

on. But he will hear more as the days go by and the business people of this country find out how they are being dealt with. Take mining companies, for instance. The prospects may be the finest in the world, all the indications may point to good results, but you simply have to have capital to develop a mine.

My hon. friend knows the condition of certain kinds of mining in this country. In the first place, capital does not go into mines except for speculative reasons; it does not go into mines for the same reason that it does into a settled business. The history of mining the world over indicates that gold and other mines may run along very well for a few years and then fade away, and in order to get capital interested in the development of mining rights, the first thing you have to get is a man of a speculative turn of mind who has some money and is prepared to take a chance. If you do not get such a man, you will not have your mine developed. The same thing is true of coal mines and of all other kinds of mines. Under the Budget proposals of the Minister of Finance, is a man who has a mining claim in Canada goes to New York and wants to put his mine into proper shape for being operated, he is compelled to say to the man to whom he is looking for capital: "All we can get out of this mine is 7 per cent; the moment we get more, the Government of Canada comes along and takes 25 per cent of the rest of the earnings." The man from New York will say: "Do you suppose that the Government of Canada, if this war continues, will increase the war taxation?" The man who owns the mine is in no position to assure him that his capital may not be compelled to bear further impositions. Under such circumstances, do you suppose it will be possible, under my hon. friend's proposed legislation, for any one in any branch of the mining business to obtain capital for the development of the mine in which he is interested? The result will be absolutely to paralyze the development of the mineral resources of this country.

Sir THOMAS WHITE: Is my hon. friend aware that in the United States there is a substantial income tax on mining companies?

Mr. MACDONALD: My hon. friend goes to the United States to speak about an income tax. Why did he not follow the example of the United States and put an income tax on every one? If my hon. friend had put an income tax on all the people of this country, fixing a minimum income to be taxed, and taxing companies also, then he would have been acting in an absolutely fair manner to every one. What I complain of in regard to my hon. friend is that he has made class legislation in taxation. He is not taxing every one; he is taxing only certain people; and just as certainly as my hon. friend is going to have class legislation in regard to taxation for the purpose of this war, he will some day find out that he will have class legislation in regard to other matters. A man will say: "If I am the only person that can be called upon to pay, let some one else do the fighting." Does my hon. friend not see the danger of inaugurating class legislation in taxation? Unless in all the relations of the Government of Canada with the people there is impressed on all sections of the country the feeling that the burdens imposed on account of this war are to be imposed in accordance with the capacity of each individual to bear them, my hon. friend will, before many years have passed, have trouble on his hands in the attitude of various sections of the Canadian people. When, in justification of his tax on mines, my hon. friend says that there is an income tax on American corporations, I say yes, but there is an income tax on more than mining companies in the United States. That is the way in which the United States went to work to raise money, and that is the course which my hon. friend ought to have pursued when he wanted to provide money for this war or for his extravagance. My hon. friend says to the mining operators to-day: "You may have spent years in waiting, but your earnings for the past two years are to be confiscated, and no matter what reason you may give, no matter what risk the man who has put money into your mine may have undertaken, we are going to make you pay twenty-five per cent of what you earn over seven per cent, and no guarantee can be given that this tax will not be greater later on." The result of my hon. friend's legislation, because it is class legislation, will be to paralyse the mining industry of this country.

Then, labour will be affected. There are certain industries which, my hon. says, are enjoying a fictitious prosperity on account of the war. There are persons working in those industries who complain that their wages are not satisfactory. Now, my hon. friend puts into the hands of capital-

ists an argument which absolutely bars the right of labour to get an increase. When a delegation of workmen comes to the man who owns the industry and says: "We want an increase in our wages, because you are sharing in the general prosperity, and we have been working hard and doing our best," he will say: "Oh, you must remember that we have to pay the Government 25 per cent of everything we make over 7 per cent; we have been having hard years, and, as we have had financial difficulties, we cannot do anything for you. If we did not have to pay this money to the Government, we might do something for your wages; but Sir Thomas White, the Minister of Finance, has barred all that; he has shut the door, and we cannot do anything for the labouring people of this country." That is what my hon. friend has done for labour. On what ground does he defend this legislation? It is confiscatory legislation, for which my hon. friend cannot find any precedent except in the most extreme cases.

Sir THOMAS WHITE: Is my hon. friend not aware that Finance Bill No. 2, introduced by the Right Hon. Mr. McKenna and passed in December last, is retroactive to the outbreak of the war?

Mr. MACDONALD. I was aware of that. Does my hon. friend think his extravagance has placed him in the position in which the British Government is?

Sir HERBERT AMES: We also are at war.

Mr. MACDONALD: My hon. friend from St. Antoine must not think that I forget that we are at war. He has been going around the country talking about the Patriotic Fund. I have a son going to the war, and I do not need my hon. friend to remind me that we are at war. In Great Britain to-day, with the commitments of that country, with its enormous expenditures, the methods of taxation pursued in the past involve the principle of direct taxation. The Minister of Finance is introducing direct taxation for the first time in this country, but when the proposal is made for an income tax he runs away from it. If he wants to cite what Mr. McKenna is doing in the way of taxation, why does he not follow him in the income tax?

Sir THOMAS WHITE: It is not necessary.

Mr. MACDONALD: I say that the situation in England is entirely different from the situation in Canada.

Sir THOMAS WHITE: The hon. gentleman asked me to give him a precedent for retroactive legislation. I met him squarely by citing the Finance Act passed in December last and made retroactive to the 4th of August, 1914. Does he deny that that is a precedent for retroactive legislation?

Mr. MACDONALD: The hon. gentleman may offer that as an illustration. But it is not worth anything unless the cases are parallel. Here he proposes to raise $25,000,000 and to do it by a direct tax, this being the first direct taxation applied in Canada. But he declines to put on an income tax that would bear fairly on all sections of the population and would make the people pay who can pay and ought to pay. He is adopting in this country legislation which is entirely unjustifiable, and seeks to justify it by citing the case of England when that case is not parallel.

Sir THOMAS WHITE: Does the hon. gentleman know of any income tax in Great Britain, the United States, or any other part of the world that is not based upon the previous year?

Mr. MACDONALD: The hon. gentleman has evaded my question again. I am dealing with a case in which the Government of Canada propose to raise about $25,000,000 by taxation. I say that he could raise that money without confiscatory legislation of this character, by means of an income tax fitted to the situation. But he is not content with an income tax, but proposes to tax industry, and in doing so to go back for two years, with all the chances of tangling up business in every part of this country.

Sir THOMAS WHITE: No.

Mr. MACDONALD: Of course he will. He will have to add to the army of 23,000 men that this Government has employed since 1911 a new army of men to send up and down this country from Vancouver to Sydney, going into the books of every firm and corporation to ascertain for the minister's information just what every man's business is, and where he stands, and what he has been doing with his money for the last two years.

Sir THOMAS WHITE: I would point out that that is precisely what I should have to

do if I adopted the income tax, but will not have to do under this Bill.

Mr. MACDONALD: How is the hon. gentleman going to do it?

Sir THOMAS WHITE: The hon. gentleman will find that out if he will have patience.

Mr. MACDONALD: The hon. gentleman comes down and with a great flourish lays this proposition before the House, but the secret of its working he keeps to himself. When does he propose to tell us? When the Bill is before us? What then is the sense of submitting a resolution? If he raises objection to the income tax on the ground that he will have to employ many men to administer it, I say he will have to employ twice as many for the system of taxation he proposes. He will have to employ accountants. The income tax could be dealt with by the customs officials and the post office officials; but he will not be able to send the ordinary officials of the country to examine critically the books of the industries throughout this country concerning which he must satisfy himself. He will have to have an army of accountants at work from one end of Canada to the other, going through the small firms of the quiet towns, turning business upside down and wanting to know what those business houses have done with every dollar they received since 1914. Does he think that that is an inaccurate representation of the case? I think the House has not discussed this question as it should be discussed. I am confident it will be impossible for him to put this Bill into operation except at tremendous expense to the country. It will cost him a big percentage of the $25,000,000 to collect the tax in the way he suggests. And he will overturn business. Suppose a man in a small business who has made commitments of one kind or another—has made contracts based upon faith in his financial condition. Once business men realize the full effect of this Bill, they will be compelled to such contracts, probably at great expense. Take the case of men who, thinking their financial position secure, though with small capital, have made contracts for new machinery, or some other engagements which they never would have made had they known that the minister was going to take twenty-five per cent of all the profit, over seven per cent, for two years. The Minister of Finance will have it in his power to wreck many business institutions in this country. That is altogether too much power to commit to his hands having regard to the tremendous expense the operation of the Bill will involve, the disarrangement of business, and the absolute unfairness. while entering upon the realm of direct taxation, of discrediting the fair and reasonable method of an income tax and instead putting on a business tax. The Solicitor General said this was not a tax on industry, but on the products of industry. That is one of those very fine distinctions that the Solicitor General alone can make. The result will be the same in the end.

My hon. friend has singled out this one particular element of the country and is going to make them pay.

Then, he is not going to tax the people with the watered stock. I have been trying to follow the remarks he has made in regard to that matter. There is one statement made by him with regard to something that was going to be put into the Bill, but I do not find that he is very definite about it. Here is his statement, at page 1159 of Hansard:

> The Bill to be founded on this resolution will have a definition of the amount paid on capital stock which will prevent any undue advantage to overcapitalize companies.

That is a very cryptic utterance, a very cryptic utterance indeed.

Mr. GRAHAM: And what did he say in the Budget speech?

Mr. MACDONALD: I was about to call the attention of the House to the statement made by the Minister on the Budget, reported at page 850 of Hansard, in regard to this very question of capital:

> We found it a practical impossibility to go behind the capitalization of companies and endeavour to ascertain the precise cash value of their assets as can be done in the case of individuals or partnerships.

If he found this a practical impossibility for the purpose referred to, has he now found the way?

Sir THOMAS WHITE: Certainly.

Mr. MACDONALD: Then, why has not he told us what it is so that we can discuss it?

Sir THOMAS WHITE: If the hon. gentleman will wait until the Bill comes down, or until the wording of the resolutions is considered, I shall be glad to give the precise wording. The object will be to prevent any undue advantage to over-capitalized companies, as against those whose stock has been fully paid up in cash. I see no difficulty in accomplishing that.

Mr. MACDONALD: Then, the Minister of Finance owes it to the House, seeing that he made this definite statement that he "found it a practical impossibility to go behind the capitalization of companies and endeavour to ascertain the precise cash value of their assets," to make the matter clear. But he tells us now that in the resolution which he will submit to the House, he is going to define "capital," which, according to the rules of interpretation of statutes, is a legislative declaration as to what these things mean. This is what his resolutions declare:

That the capital employed in the trade or business of an incorporated company having its head office or other principal place of business in Canada shall be the amount paid up on its capital stock.

Sir THOMAS WHITE: Assuming that there is a definition in the Bill of amount paid up on stock, does the hon. gentleman pretend to say that that provision of the Bill will not have legal force and effect? In other words, if the Bill says that amount paid up on stock means a certain thing, does my hon. friend as a lawyer say that it will not mean that thing?

Mr. MACDONALD: My hon. friend knows enough about law to know that there is not much use in giving a legal opinion on a hypothetical case, particularly when we are dealing with a concrete Act or a specific situation. My hon. friend, during the course of his Budget speech, told the House that he could not find any way of dealing with that question of capital except the way in which he put it in the resolution. There he defines capital simply and solely as amount paid up on the capital stock. Now he comes along and says: Although I did not know, when I brought down the Budget on February 17, how to deal with companies having watered stock, I have found a way since. My hon. friend has not told us what that way is; if he will tell me what it is, I will express my opinion upon it. I think my hon. friend ought to do that.

Sir THOMAS WHITE: My hon. friend is at present discussing the principle of this proposed legislation. As I have stated, when the House goes into committee on the resolutions, I shall be glad to lay the provisions of the Bill upon the table, and give the definition of amount paid up on stock to which I have referred. I am quite sure that it will meet the situation, and prevent any undue advantage to over-capitalized companies.

Mr. MACDONALD: My hon. friend is still an enigma. It is just as well that the House and the country should understand that on February 17, when my hon. friend brought down his Budget, he told the House that these companies would be taxed on the basis of their capital, which was defined as the amount paid up on the capital stock, and that he also stated that he found it to be practically impossible to go behind the capitalization of a company and ascertain the precise cash value of its assets.

Sir THOMAS WHITE: I say so still.

Mr. MACDONALD: My hon. friend says, notwithstanding that, that he has found some way by which he can get at the value of what is called watered stock. However, I understand the hon. minister to say that when the Bill comes down he will propose an amendment—what it shall be he does not tell us—which will deal with this question of watered stock. All we can do is await the arrival of the Bill.

Sir THOMAS WHITE: I will inform the hon. gentleman when we are discussing the resolution.

Mr. GRAHAM: The new resolutions will not be like the ones the minister had in his Budget speech.

Mr. MACDONALD: No. To summarize, I submit that the Minister of Finance, in dealing with the question of the present financial condition of Canada, has not been frank in his statement to the House and to the country. He is responsible for a debt of $51,000,000, which was incurred under his administration by unnecessary extravagance and mismanagement of the affairs of the country. The debt was contracted entirely over and above any money spent in connection with the war or in connection with the National Transcontinental railway. The Canadian people are ready to fulfil their obligations and to bear the burdens imposed upon them, but they ought to know where their money is going and why these burdens are laid upon them. Let us not have any misrepresentation about the matter. We have had misrepresentation, though I trust that it was not wilful, so far as the Financial Minister was concerned. As for the extra tax on letters which everybody in Canada has been paying since last year, not a cent of it was devoted to war purposes; it was appropriated absolutely, for the ordinary affairs of the Post Office De-

partment. In view of the fact that we are, for the first time in the history of this country, to have direct taxation, a frank, fair and plain statement should be given to the people, so that they will understand the matter properly. My hon. friend will have to bear the responsibility sooner or later for this debt, of the existence of which there can be no question. If my hon. friend would start fairly, he would find the people all the more willing to bear the burdens when they realize that the person who is the custodian of their treasury for the time being has given them an accounting which may be audited by any auditor in the country and found correct. That is not the condition just now. I submit that the only way to raise the $25,000,000 or $30,000,000 that the minister says he requires is for everyone to pay according to his ability to pay. A line should be drawn between the man whose earnings are so small that he cannot be expected to pay and the man whose receipts are quite sufficient to enable him to pay. If you make everybody pay according to his wealth and income, there will be an abiding sense of responsibility on the part of the whole of the Canadian people in regard to the carrying on of this war. Any different course breeds discontent and evasion of the burden of the war, which gives rise to discrimination which makes for disunion. As it is now, only certain persons are required to pay, and, under the nefarious system of patronage which was attacked by the Minister of Trade and Commerce the other night, only certain persons can sell to or be employed by the state. Let us do this thing fairly and squarely. Shall our people assume a portion of this burden and leave a portion of it to posterity, as my hon. friend proposes? Why should we not all do our part to-day, and let everyone bear an equitable and fair share of the burden?

I direct the attention of the House to this statement made by the hon. Minister of Trade and Commerce. After dealing with the question of patronage, he says:

> I wish now, in the white heat and light of this great contest and struggle and the self-sacrifice that we are called upon to make, that we might speak from the heart out, and make an agreement in this country between both parties, that hereafter patronage shall not be applied by political parties in the construction of our public works. Now, that is a frank admission. Some may say to me that I have no right to make it. I presume upon my grey beard and thirty-four years in public life, and I make that statement for what it is worth. I will just append to that one single sentence, and it is this: that if there is any laxity in the public virtue of this country to-day, if there is any canker of public corruption, in ninety-nine cases out of a hundred you can trace it to the baleful effect of political party patronage.

An opportunity has come to hon. gentlemen opposite which has never come to any political party in this country since Confederation. Everyone who has had the honour of sitting in this Parliament, whether on the Government or whether on the Opposition side of the House, must agree in his heart that those conceptions of duty with which the true public man in this country ought to be inspired are seriously debased when they are interfered with by the party patronage system.

I make that statement having had experience while I supported the Government of the right hon. gentleman who leads the Opposition (Sir Wilfrid Laurier). Every hon. gentleman who sits behind the right hon. the present Premier knows the same thing. We endeavour to hold up to the young men of this country the highest possible ideals in urging them to take their part in this great struggle. Do you mean to say to me that the intelligence of the youth of this country is of such a low order that they do not reason with themselves as to whether the men who make these appeals are sincere? Do you mean to tell me they do not ask themselves whether these men are actuated by the ideals which are held up to them, when they see this system of patronage in regard to public affairs, by which only a certain person can sell to any department of the Government, only a certain person can be appointed to this office or that post in this country? Do you mean to say to me that the ideals of the youth of our country are to be maintained at a high level by the operations of this nefarious system of patronage? This Government has been given the greatest opportunity in the whole history of this country, when the hearts of our people are stirred by this grave issue, to endeavour, by conference or in some other way, to arrive at some system by which the public men of this country, on both sides, will agree that some substitute shall be found for the patronage evil. I venture to say the lesson of Manitoba, the lesson of Vancouver a few days ago, is one that ought not to be lost upon them. The result in these and other elections, including Peel, is directly traceable to the patronage system, against which the Canadian people are rising in revolt. They are thinking more deeply than ever before, and they are stirred by greater emotions and higher

ideals. They will look for these ideals in public men, and if the Premier and those associated with him fail to take advantage of this opportunity in this time of our history, the same fate that overtook these men a few days ago will be the fate of this Government when they come to face the people of this country.

Sir HERBERT AMES (Montreal, St. Antoine): Mr. Speaker, it may be a relief for the members on both sides of the House to desist for a short while from the debate on partisan lines and to deal with a subject on which we have all thus far worked in harmony.

As my remarks proceed, and they will not be long, I think the reason why they are interjected into this debate will make itself apparent. It is a marvellous thing, when you think of it, that the people of Canada, during the first twenty months of the war, have raised and expended for its prosecution $175,000,000, and that if the war continues another twelve months they will have raised from $250,000,000 to $350,000,000 more. Were this every dollar that Canada was raising for patriotic purposes it would go down in history as a remarkable action on the part of a people of our numerical size and our comparative wealth. But this does not entirely encompass Canada's activities and financial gifts in connection with this war, for if one makes an estimate of the voluntary gifts that have been made since the war broke out, it will be found that they will total between $20,000,000 and $25,000,000, and probably in another year that sum will be doubled.

11 p.m.

Principal among these benefactions is one which you all know of, the Canadian Patriotic Fund. It has been referred to in this House on several occasions, and because it has been referred to in a certain way, in an intimation on the part of some members that the fund should not longer rely upon voluntary support but should come under the aegis of the Government and should ask the aid of the Government to finance it, I wish to lay before this House some information regarding that fund with a view of satisfying members that, at least for the coming year, we have no intention of asking the Federal Government to assume this burden in addition to those which they already carry.

The Patrio ic Fund and the Government co-operate. They each have their function to perform; but they work together with one common result. The Government deals with the soldier as a man purely and simply. There are two classes of soldiers —the married and the single soldier. The single soldier receives his $1.10 a day and the married soldier his $1.10 a day plus $20 a month separation allowance. With an auxillary Patriotic Fund it is possible to provide adequately for the dependents of those who have gone to the front. At the present time it is not necesary to appeal to the Canadian Government for any assistance for this fund. If the war be prolonged indefinitely, the time may come when the people of Canada will have exhausted their ability to give, or may no longer be in a position to deal as generously as at present with the dependents of soldiers; and possibly then, as a last resort, we shall have to fall back on the Dominion Government. Should the time ever come when we needed to do this, I am sure that the Dominion Government would not permit the Fund to go into default and allow hardship to come into the homes throughout Canada which to-day are being assisted by that Fund. But it is desirable, I think, that that time be deferred as long as possible, and I sincerely hope and firmly believe that unless the war be of very long duration it will not be necessary for us to appeal to the Dominion Government for assistance.

As I said a moment ago, the Dominion Government at the present time is doing a great deal for the soldiers' wives; that ought not to be lost sight of. There are about 50,000 families which are already receiving $20 a month from the Dominion Government; so that the Dominion Government is directly giving the wives and dependents of soldiers $1,000,000 a month, or more. That, it should be remembered, is the primary and basic contribution on which other grants follow. The difference between the Government and the Patriotic Fund in the treatment of the soldiers' dependents rests altogether on the point of view. The Government looks upon the wife purely from the soldier's viewpoint. The Patriotic Fund looks upon the wife and family from the point of view of whether they need additional help to live decently while the husband and father is away at the front. Between the two, the Government and the Patriotic Fund, the family is adequately provided for.

Mr. CARROLL: Does the Patriotic Fund make provision for the father, say, of a

boy who has gone to the front and who is the sole support of the father?

Sir HERBERT AMES: If the father is unable to work and is over a certain age, so that he is entirely dependent on the man who has gone to the front, the father is assisted from the fund, not by the Government.

I want to point out, first of all, how exceedingly difficult it would be for the Government to do the work which the Canadian Patriotic Fund is doing. The Government cannot discriminate. That is the first reason why the Government cannot become the Patriotic Fund or take over its work. The Government looks upon the woman only as the appanage of the soldier. The man gets $1.10 a day, and if he is married his wife gets $20 a month. The $1.10 a day and the $20 a month are given without any reference to what that man's financial position may be.

If a millionaire and his coachman enlist as privates in the same regiment, each gets $1.10 a day and the wife of each gets $20 a month. In the case of the millionaire's wife $20 a month is a mere incident to her; she has no need of it at all. In the case of the coachman's wife, provided she has a family of four or five children, she cannot subsist on $20 a month. Consequently the Patriotic fund comes along and says: "How much is needed for you and your children to live decently and comfortably?" The Patriotic Fund brings that $20 up to a sum necessary to enable that family to live as a soldier's family should live. Thus we are able to provide for soldier's families who are left behind.

But sometimes we hear it said: "Why not increase the separation allowance and thus make it unnecessary for the Patriotic Fund to exist?" What would be the result? There are 44,105 separation allowances being paid from Ottawa and 8,000 or 10,000 more being paid by the local paymasters scattered throughout Canada. There are in all 53,000 families receiving separation allowance from the Government. The Canadian Patriotic Fund at the present time is helping about 30,000 families. If you add to that the independent Manitoba fund and one or two other local organizations, you account for about 5,000 more families. We are helping many families that get no separation allowance, so there are at least 20,000 families in Canada that receive all the money they require from present separation allowances and what soldiers send home by way of wages. The Government are assisting 20,000 more families than we are. If you propose to increase the separation allowance from $20 to $30 a month in order to obviate the necessity of a Patriotic Fund, you will be paying an additional $10 a month to at least 20,000 families who do not need it, and it will involve very large expenditure on the part of the Government to families who have not necessity for it.

I wish to speak here in regard to remarks which have on several occasions been made in this House, particularly by the hon. member for Edmonton (Mr. Oliver), in which it has been affirmed that our voluntary system should pass away and that the Government should take over the Fund. It is because the question has to be met, and because it is raised in other debates in the House of Commons that it becomes a pertinent one when the Budget is under discussion. At the outbreak of the war there was held in Ottawa a sort of informal conference, and there was an attempt made to determine the various spheres of activity that the several governmental bodies should occupy. It was felt that the Dominion Government should assume all the cost that was necessary to raise the army, to train, equip, transport, and maintain the troops, and all the expenditure necessary to provide for wounded men, and for the pensions of widows and disabled soldiers. That was distinctly the act of carrying on war and that was entirely taken on by the Dominion Government and the necessary funds raised by taxation imposed on the people of Canada. It was felt too that the provinces, each in the particular products that it was famous for, should contribute from their wealth to the Mother Country and to others and thus take their share of the burden. It was also felt that municipalities should look after the local out-of-works and the local needs incidental to the war but not directly arising out of the war. These three different governing bodies assuming each their different functions are in a general way, I feel confident, meeting the needs as they arise.

There was then left something for voluntary activity, and voluntary effort has found its outlet in the various funds that have been raised—the Patriotic fund, the Red Cross fund, the Belgian Relief fund, and other funds of that character. Thus we found the men of Canada undertaking to look after the women who had been left behind by the other men who had gone to fight; thus we found the women of Canada

undertaking to collect money, to make supplies for sick men in hospitals and elsewhere, and to raise money for ambulances and the like; thus we found all Canada uniting in sympathy with the Belgians and other oppressed peoples; thus it has been found that voluntary action has co-operated in supplying the needs created by the war, with the Dominion, provincial and municipal governments.

As to the work, the way in which it turned out, and the response that the people have made, I wish to say just a word. The response in respect to our Canadian Patriotic fund certainly has been one of which we all have reason to be proud. I was to-day handed the figures by our treasurer up to the 28th day of February. I find that in cash there had come to the Patriotic Fund, under the control of the Finance Minister, who is the treasurer, a sum slightly exceeding $8,000,000. I also made to-day a careful calculation to see what might be expected to come from the generous giving of the people of Canada during the next twelve months. (As you know, an appeal was issued on the 1st January by His Royal Highness the Governor General, the figures being set at $8,000,000.) I am pleased to be able to say that in pledges and assurances for the term which will be covered in the next twelve months, we are practically certain of $10,000,000 more; so that, if the war lasts until, we will say, the 1st March, 1917, there will have been $18,000,000 or $20,000,000 contributed voluntarily by the people of Canada for the care of the dependents of the men who have been left while they have gone to the front.

During last year there have been many periods that tried our faith, because necessarily the income and outgo have almost paralleled each other for the last twelve months. In February, 1915, we had an expenditure of $156,000, but in February, 1916, our expenditure was $573,171.50, an expenditure nearly four times what it was a year ago. Our revenue in February, 1915, was $346,000 and our revenue during February of this year has been $754,632.56. Whereas, a year ago we had a surplus in cash in the banks of $1,977,418, we have to-day a surplus of very nearly the same amount, namely, $2,161,063.78, showing that during these twelve months, month by month although our expenditure has increased, has doubled, and has finally more than trebled, we have been so generously supported by the people of Canada that we have not run behind, but are in a slightly better position than we were a year ago.

Sometimes we are asked why we deem it necessary to keep a surplus of $2,000,000 in the Patriotic Fund. I do not think I need waste time in explaining that to the members of this House. If peace should be declared to-morrow it would probably be all of six months before those who went across the seas could be brought home again and passed back into their ordinary civil employments.

The executive of the Canada Patriotic Fund realize that this Parliament will be prorogued in probably a month or six weeks, and that if we have any request to make of Parliament it must be made now, or otherwise we must hold our peace for twelve months. Consequently, it is a matter of serious consideration to us whether the outlook is such that we shall feel justified in saying that for another year at least we shall require no help or assistance from the Dominion Government. I think the outlook does justify us in making a statement of that kind, and I want to put on Hansard a short statement of the expenditure last year, and the probable demands for the next twelve months. Running over the provinces briefly, we find that Nova Scotia has sent us in cash about $300,000 to date, and we expect $500,000 in the next twelve months. Halifax raised $260,000 in their campaign, and we are assured that as much more will come from that province in the next twelve months. New Brunswick has already sent us $300,000, and we have every reason to believe that $350,000 more will be forthcoming in the next twelve months. Prince Edward Island has given us $38,600 in the past year, and we are counting on $40,000 in the next twelve months. The province of Quebec has given us $2,000,000 in the past year, and we are counting on $2,750,000 in the next twelve months. Ontario has sent us $3,500,000 in cash, and we have pledges and assurances that we shall receive over $5,000,000 from that province in the next twelve months. Manitoba has an independent organization working in the utmost harmony with us. They have raised over $500,000, and will probably raise within the next twelve months another $500,000. Saskatchewan has raised $400,000 in cash, and is pledged to raise $500,000 in the next twelve months. Alberta has raised $428,000, and is pledged for the coming year to raise $500,000. British Columbia has raised $490,000 in cash, and we have assurances that she will raise in the next twelve months

$600,000. Victoria has raised $200,000, and Greater Vancouver $300,000. Yukon raised $20,000 last year, and they will raise a like amount this year. So it will be seen that notwithstanding the increased demands, there is enough money in sight to obviate the necessity of our approaching the Government in any way at this time.

Now, looking over our probable requirements and estimating them very carefully, I should like this statement to be recorded. At present Nova Scotia is spending about $30,000 a month. Allowing that within the next six months that will have to be added to by 50 per cent she will then spend per month $45,000 or $540,000 a year. I am estimating that during the next twelve months every one of our provinces will double its requirements, and that consequently the average for the next twelve months will be 50 per cent greater than the present expense per month. If that be carried out, the figures will be as follows:

	Present rate per month.	50 per cent increase.	Twelve month.
Nova Scotia.. ..	$ 30,000	$ 45,000	$ 540,000
New Brunswick ..	28,000	42,000	500,000
Prince Edward Island..	1,500	2,500	30,000
Quebec..	80,000	125,000	1,500,000
Ontario..	250,000	375,000	4,500,000
Saskatchewan.. ..	35,000	50,000	600,000
Alberta..	65,000	90,000	1,000,000
British Columbia..	65,000	80,000	900,000

This seems to us a very generous estimate. We have allowed for recruiting and for soldiers returning should there be serious casualties to our boys at the front. We should be able to carry on the work for the next twelve months with $9,500,000, and we have in sight $10,000,000; consequently, I think I may say to the Minister of Finance that as far as the Patriotic Fund is concerned he need not fear that in the Budget for the next twelve months he will have to provide for our needs or requirements.

Sometimes the argument is made that a fund of this kind should be kept up by taxation instead of by voluntary subscription. It has been stated that we are receiving a certain portion of our fund from taxation; that is perfectly true. We have received some contributions from Provincial Governments, a great many from county councils, and I should like just here to bear tribute to the unanimous generosity with which the county councils of Ontario have contributed to the fund. Our expectations for the coming twelve months from county council grants are $1,250,000, and this, of course, will be raised by taxation. Townships and municipalities are also taxing themselves. We find that during the first nineteen months of the war, while only $500,000 was raised by taxation, $7,500,000 was raised by purely voluntary, giving on the part of a generous and patriotic people. Of the $10,000,000 which we expect to be raised within the next twelve months, not more than one-fifth will be raised by taxation.

Probably the ideal method is a combination of taxation and voluntary giving. In many cases we find that a rural community, widely scattered, prefers to give its contribution through a tax on real estate, and where the money is unanimously voted that, perhaps, may be regarded as a voluntary contribution. I have had the privilege of going before nearly every county council in Ontario, and I was pleased to find that whatever was given was invariably given unanimously. On one occasion, when a discussion arose in a county council as to the amount to be granted, and it was apparent there would be a division, and that the result of the division would be a more generous amount for the fund, I told them that we would prefer to have a smaller amount unanimously voted. Consequently we may really consider the unanimous grants of county, township, and municipal councils as practically on the same basis with purely voluntary subscriptions.

It is quite true that there are some people who will not give to any good cause. They are pointed to in every community, but I am glad to say that they are very few, and are becoming constantly fewer. We cannot force them to give. There might, of course, be an income tax which would force everybody to give in a way, but the number of people who attempt to shirk this matter of patriotic giving is very small when you come to analyse it, and I think the force of public opinion directed against those people at this time brings with it obloquy and scorn to such an extent that they suffer from their deliberate refusal to help a good cause. Our slogan throughout the country has always been "Fight or pay." We call upon the people to enlist or help others to enlist. We sometimes say: "If you cannot put the 'I' into fight, put the 'pay' in patriotism," and that serves as a slogan on many a platform. We have no conscription in Canada, and probably never shall have. We do not conscript the men's bodies, neither, as far as the Patriotic Fund is concerned, do we

conscript their money. We expect to get it by voluntary subscription, and we think that method preferable. We say to the man who stays at home: "You have a ransom to pay for the privilege of staying here; if you stay at home and have other men fight for you, you should contribute." We think that from this voluntary giving there comes a moral uplift which is its own reward. The sacrifices that the people of the this Dominion are making, from the richest to the poorest, that every class in the community is making—the contributions of the rich as well as the contributions of the poor, the contribution of the farmer as well as the contribution of the artisan, the contributions of the British-born as well as the contributions of other nationalities—all go into one common purse, and all represent self-sacrifice on the part of our people; and that self-sacrifice serves as a tonic, because we find that a community which gives in money is always willing to give in men. It would be a genuine deprivation and the taking away of an uplifting influence from the people of Canada if opportunities for voluntary subscription were removed or were replaced by compulsory taxation for purposes such as these.

Before I take my seat, I wish to bear tribute to the fact that, while we may spend considerable time in this House in discussions along partisan lines, as far as the Patriotic Fund is concerned, it has been loyally supported by members on both sides of the House. It has been to me a source of the greatest pleasure to appear over and over again upon the same platform with hon. gentlemen whom I see opposite to me to-night and hon. gentlemen who surround me on this side of the House. We have no politics whatever in the Patriotic Fund, and I trust we never shall have. That is one of the great compensations that I have in my connection with it; and since the war broke out every hon. member, and almost without exception hon. members, each in their own locality, have taken the necessary leadership in doing what is necessary to keep this fund alive.

At present we have on the fund about 30,000 families. In 30,000 homes the supplementary assistance that we give represents the difference between bare subsistence and decent living. In the East the sum paid averages from $15 to $16 per month; in the western provinces it averages from $18 to $20 a month, because the cost of living is estimated to be higher there. 30,000 men are on their way or have gone to the front feeling certain that their wives and families will be cared for, and, although the months go by with the same amount going out as comes in, each month we are able to meet the current needs of the fund, and I hold the belief that the people of Canada will keep faith with the Patriotic Fund.

Mr. G. E. McCRANEY (Saskatoon): Mr. Speaker, we are indebted to the hon. member for St. Antoine (Sir Herbert Ames) for the illuminating statement that he has made with regard to the Patriotic Fund. The country is to be congratulated upon the fact that the hon. member has given of his time and of his means to the administration of that fund, and that it has the approval and the support of all the citizens of Canada.

In returning to a discussion of the Budget, I wish to congratulate the people of Canada on the result in the county of Peel, which result I claim not as a victory for the Liberal party alone. If I thought that such a great result was brought about simply by the transference of a few Conservative votes to the Liberal party, I would not be so hopeful of the political future of this country as I am at this time. I believe that the result in Peel is indicative of the sentiment of Canada as a whole. An attempt was made during the campaign to have it appear that only the people of Peel were interested in that contest, but I am very glad to say that the people of Peel were only representative of the rest of us, and that, while the voting was done by the electors of that county, the result was to our credit, and it would have been to our great shame had any other result been brought about. I have no desire to discuss the sordid circumstances which caused the contest, nor to dilate upon the imperfections of Mr. Fallis; but one aspect of this matter, to which I have already called the attention of the Minister of Finance, is as to the disposal of the sum of $1,880 which Mr. Fallis received by his intervention between the farmers of Peel and the Government purchasers, and which he later on paid into the Patriotic Fund. In a question which I asked in this House on the 10th of this month, I suggested that the Government might apply to the person in charge of the Patriotic

Fund for this sum of $1,880, and the reply of the minister was:

The Government is not aware that it has any claim to the sum of money referred to.

That may have been the attitude of the minister and of the Government at that time, but this election has been held, and, by it, two things have been made very clear. One is that Mr. Fallis did not claim the money, and the other is that the people of Peel do not think that the money belonged to him. Now, if it did not belong to him, it belonged either to the farmers whom he cheated out of the money or it belonged to this Government, who should have bought their horses cheaper. I am not bothering so much about the amount of money, but I would like to see this Government apply to the treasurer of the Patriotic Fund for the payment of that sum to this Government, because this Government is entitled to the money, either in its own right or in the right of the people out of whose pockets it was taken. I do not wish to see the Patriotic Fund deprived of the money, because I am satisfied that, if it were given back to those farmers, they would say, "We will let the Patriotic Fund have it;" but I would like to see this Government, although they may have no right to go into court and sue for it, ask for the money, and then give it back to the Patriotic Fund. My reason for suggesting that course is that every grafter and every scoundrel in this country, and every man who gets his hand into the public till, becomes a patriot by paying into the Patriotic Fund the money that he has taken. I would like to see this new principle laid down and properly understood, that whenever a man is found with the goods on him, he cannot, by claiming that he has done a virtuous act, get out of such opprobrium as comes to such a man. I know of an instance in my own province where funds to the amount of thousands of dollars were taken from recruits by improper entries in paysheets and that kind of thing, and the money was turned into the regimental fund and went to pay off an old indebtedness. There was a trial and one of the officers was indicted for theft. But the jury came to the conclusion that it was all right because the accused had not kept the money himself. I say that that is a condition of political morality that men like Fallis encourage, unless we take some strong stand against them. I bring this to the attention of the Minister of Finance who, I believe, wants to see clear-

[Mr. McCraney.]

cut political morality and does not want to see the flag and sound patriotic causes besmirched by men of the stamp of Mr. Fallis.

The Solicitor General (Mr. Meighen) spoke in the name of the West and declared, in the name of the farmers of the West, that they were satisfied with the Budget speech of the Minister of Finance. He spoke with such an air of sincerity that I cannot but believe he was sincere. I do not doubt his sincerity, but that is the tragedy of it. There was a very eminent Conservative family in France who went out of power more than a century ago because they learned nothing and forgot nothing. But when a member of Parliament declares in this House that the farmers of Western Canada are satisfied with this Budget and with the Conservative party, I am afraid he is following in the steps of the Bourbon house, and that the result which the Bourbon family got will be theirs at the next election.

While that is the attitude of the Solicitor General, I do not think for a moment that it is the attitude of the Minister of Public Works (Mr. Rogers). That hon. gentleman is a Winner of Elections. He has seen the province of Manitoba turn over last summer and he has seen the result last Saturday in the province of British Columbia. He knows that there are two seats open in the province of Manitoba, where the farmers are very anxious indeed to express their opinion of this Government. While the Solicitor General is very sure as to the attitude of the West, I do not think there is any such certainty in the mind of the Minister of Public Works. When the Minister of Public Works wanted an election he beat the drum, he made speeches, he gave interviews, and his party papers were echoing his thoughts. He heard the cry for an election in tones louder than thunder, and the cry for free wheat as only a still small voice. The Minister of Public Works has not been of certain mind on this question of free wheat. Last November a deputation from the Dominion Council of Agriculture called on the Minister of Public Works at Winnipeg and made a strong request for immediate action by the Government in this matter of free wheat. The Minister of Public Works expressed his sympathy with this desire and said that he would press upon the Government at Ottawa the farmers' representations on the subject which, he said, was one of the utmost importance. Such an expression of opinion would lead

the farmers to expect that he was in sympathy with them. At the same time, his own organ, the Winnipeg Telegram, and most of the Conservative papers in the West, including the Saskatoon Star, in my own riding, and most of the Conservative candidates, were expressing the same kind of sympathy with the people as did the Minister of Public Works. That brought criticism. The Hamilton Spectator, which is one of the straight-line Tory papers of the province of Ontario, chided the Minister of Public Works on his attitude on this question and on his attitude towards the farmers, and pointed out that under cabinet government there must be unity, and that it was not the place of one member of the Government to express views which were contrary to the view of the Government as expressed by the Minister of Finance. It spoke of the Minister of Public Works as indulging in the artifices of Absalom. Absalom was the son of King David. His father had reason to expect the support of Absalom in the administration he was giving the country. But when the King's subjects came to Absalom with their grievances, Absalom in a quiet way gave out to the people that he would if he could redress their grievances. The words in which he expressed himself have their parallel in the words of the Minister of Public Works to-day: "Oh that I were made judge in the land, that every man who had any suit or cause might come unto me, and I would do him justice." No one in the Canadian West believes for a moment that the Minister of Public Works, who holds such a prominent position in this Government, and who knows the needs of the West better than any member in it, has to-day anything but an open mind on the question of free wheat, and that he would have it adopted as one of the policies of the Conservative party were he able. The change in the attitude of the Minister, I understand, has been brought about by some articles which appeared in some magazine published by the London Corn Exchange, and also the circumstances of the last sixty days in Canada. We shall hope that some new article will be published which will induce the Minister of Public Works to change his mind again. When the minister spoke about people demanding an election in tones of thunder, he quite overlooked the fact that some persons might take him seriously. In the constituencies of Brandon and Lisgar some farmers have taken the minister seriously and have not forgotten what he said about the people calling in tones louder than thunder for a contest. Poker is not their game, and they are not accustomed to bluff. A political truce has been entered into by members of the parties which are represented in this House, and I am sure that these parties will do all they can to preserve that truce. But in Western Canada there are those who do not give adhesion to either party, and in Brandon and Lisgar there are those who take the minister at his word, and speak in tones of thunder on the question of free wheat. Many people say that it is not patriotic to have an election during war, but evidently the mind of the Minister of Public Works is open on this subject. Contrary to the view of other public men whose opinions are highly respected, the Minister of Public Works has declared that there should be an election. He opened two seats to serve the ends of the Conservative party, and he endeavours to meet the situation by appearing to speak with an open mind on the question of free wheat.

In reply to the demand of the western farmer for free wheat, the statement has been made that we are like spoiled children; that seed grain has been given to us in large quantities. This Government has security for every dollar which was advanced for seed wheat; if they have not got it, it is because of their own negligence. The Dominion Government has a first lien on the lands which received seed wheat last season, and, as we have had the largest crop in the history of the West, there is no reason why this money should not ultimately be paid back. There is this to be said about our people: when they are in need of assistance, they give security and pay interest at the rate of 5 per cent; when almost every other industry in the country wants help it gets it by way of bonus, and the money is never paid back. We do not mind paying taxes, but we want to see the country rid of the protective element of the tariff. I must commend the Budget of the minister for one thing, and that is that it does not increase the customs duties. We have a suspicion that the customs duties were increased in 1914 for the purpose not so much of raising revenue as of fastening upon the country a protective system which it will take as many years to shake off as this Government shall be in power.

I want to endorse what has already been said in this debate, that the farmers of our country are ready, willing and anxious to

bear their share of the burdens which are necessitated by the war. I do not advocate an income tax upon the farmers, because they are paying more than their share of the taxes which go into the public treasury. For my own part, if I have any influence with my farmer friends, I shall ask them to do what they can to have the duty on wheat removed. It is of no use in itself; it merely operates to help the millers in getting higher prices for their flour and a cheaper market for their wheat and to keep the farmers from getting a better market. The ministers of the Crown are reasonable men, and one would almost expect them to give reasonable reasons for what they do. But, to me, the attitude of the Government on the question of free wheat is not a reasonable one. They have not taken the pains to familiarize themselves with the attitude that the people in the West take. This tariff imposes, as the hon. Solicitor General points out, an extra duty on the apples that they use in the West. If there is one thing calculated to educate our farmers to the adoption of a clear, straight free trade policy, it is the example of this Budget in its endeavours to protect the miller and the apple-grower at the expenses of the farmer, and to deprive the farmer of a free market. Some people express the hope that conditions may be changed, but for my part I have no hope that conditions will be changed under the present Administration.

Since the last general election this Government is to be congratulated only upon its success in the county of Chateauguay and upon the inclusion in the ranks of its followers of some twenty members of the Nationalist party. I congratulate the Liberal party on the fact that these Nationalists have found more affinity in the Conservative party than in the Liberal party. Those are the only cases in which the Conservative party may claim success. On the other hand, in Prince Edward Island there has been a very decided and encouraging change in favour of the Liberal party. The same thing has occurred in the province of Ontario in the last provincial election, in the winning of South Bruce, and also in the recent contest in Peel. In the province of Manitoba, the results have been so overwhelming that I should think that if the ministers from that province have a good night's sleep over it, they are very good sleepers. In the province of British Columbia the results are encouraging also and as my hon. friend asked, what about Saskatchewan? I can assure him that the province of Saskatchewan will take care of itself.

Mr. W. F. MACLEAN (South York): Mr. Speaker, I intend to take only a short time of the House to-night. In the first place, I wish to deal with the nickel question which was brought up by the Solicitor General. He has made a defence of the present condition of affairs in Canada, but I do not think the last word has been heard in that matter and I believe that the opinion of the people in this country will express itself before very long in the direction of Canada controlling the nickel production, using it as a means of revenue for the country and also as a means of building up a great industry. I know something of this International Nickel Company and of the nickel question. I have brought it up in this House on several occasions and I have discussed it in the press. The conclusion I have reached is that it is high time there should be a reform in our nickel policy. As regards the International Nickel Company I must say that I have no confidence in that company or in the statements it makes. It is on record as doing its best to centralize the production of refined nickel in the United States instead of in this country. It went so far in this policy that it actually succeeded in inducing the Congress of the United States to put a duty on pure nickel coming into that country, and especially when coming from Canada, whence they draw their supplies. They did that by legislation which was put through at Washington. A company which does this is not entitled to the confidence and the support of the people of this country in regard to nickel. I have not any confidence in the statements they have made as regards their profits. I believe their profits are much larger than those published in their statements; I believe that for the current year they will be in the neighbourhood of $10,000,000. I also know that, besides the profits they have distributed, they have made a bonus distribution of stock to their shareholders and that their stock now is quoted away above 200 and will probably go much higher, unless something is done in this country to control this industry and that company. I do not like the way that company has had its agents here in Ottawa and in Toronto and all through this country. I do not like the way they have been able to

12 midnight.

influence public opinion in Canada, in order to place themselves in the position which they have attained, and I think that therefore it is high time that Canada should change its policy. Perhaps we cannot do it just to-day, but I think it is high time that we assumed control of this industry, which Canada ought to control by reason of our National Policy and of the fact that the greatest store of nickel in the world is in Canada. I have said in this House, and I repeat, that the greatest store of mineral wealth in all the world is in Ontario, in Sudbury and that district. No place else is there such a collection of mineral wealth, neither of gold, nor of diamonds, nor of silver, nor of iron, as is to be found at Sudbury and some of the districts thereabouts. If that is the case, especially if that nickel is an essential of war, at a time when the world is engaged in the greatest struggle of history and when at this very moment the greatest battle that was ever fought in the world is being fought, I say it is high time that Canada, which has that wealth of nickel, and can control the product of that company, so essential in war, should see that the absolute control of the industry is in Canada and not in the United States. The United States might be at war with Canada to-morrow. Judging by what you see in the United States, a situation unparalleled in the history of that country exists there to-day on account of the war which is now devastating Europe. The United States may be in the war, the United States may be our enemy to-morrow. We do not know what will happen in the United States after twelve o'clock to-night, when this new German policy goes into effect. And yet the control and production of our nickel is in the hands of a company located in the United States. That company is making enormous profits out of this industry, and is not treating Canada quite properly in the matter. This same company has not paid its just dues to the province of Ontario, which for some years has had a law under which, if it was fully lived up to, that company would have to pay a percentage of all its earnings. So far it has not paid it. I would like to ask the Minister of Finance if by the Bill which he now has before the House he can reach the profits of this company, which the Solicitor General admitted this afternoon amounted to $5,000,000 last year. Does he propose to make that rich company pay a share of those profits as a war tax to the people of Canada? I read the statement the other day that Mr. Delmar, who is connected with the company, had said that they would pay their share of the taxation, but, it would be very little; that they had two companies. There is the Canadian Copper Cliff Company, which is supposed to own or work the mines, and that company will show little or no profits. The large profits will be shown by the International Nickel Company, an American corporation. I hope the Minister of Finance will be able, by the means in his power and by the inquisitional powers which he has taken, to reach that company and make them pay their just share out of their profits towards the war taxes of this country. They have offered a compromise in a way, and this compromise is based on a proposal made to them by the Prime Minister of this country. He asked them, in substance, when they proposed to manufacture refined nickel in this country. I do not quite like the idea of the Prime Minister speaking to that nickel company by a letter addressed to them. I think this country should have addressed the International Nickel Company by legislation and have said: After a certain day you must refine your nickel in this country. But they said to the Prime Minister: "We will grant your request," and refine in your own country at an indefinite date enough nickel to supply the requirements of Canada and the Empire. The people of Canada will demand that the International Nickel company refine all the ore they raise in Canada, and that these people shall not be allowed to take out of this National Policy country a product of which we have the monopoly.

I agree with what the Solicitor General said this afternoon, that it may be necessary, by reason of complexities which have arisen, to allow them to take the ore out at the present time and refine enough for the requirements of the Allies. But, concurrent with permission to continue for a short time the refining of this ore out of Canada, I would insist upon a declaration that after a certain date all of this product must be refined in Canada. I have taken a great deal of interest in this question. The people of Canada are in favour of a new policy in regard to nickel, and they have been in favour of it for a great many years. I am going to delay the House for a few moments while I read a statement made by Sir Charles Tupper a good many

years ago. It is a good many years since nickel was discovered in this country, and since scientists came to see the important part that nickel plays in the industries not only in regard to nickel steel, but in regard to the armaments of nations. Sir Charles Tupper, long ago, when these discoveries were first made, saw the importance of having a National Policy in regard to nickel and the necessity of concentrating the industry in Canada. Here is what he said:

> Why then should not Canada utilize these iron ores and these nickel ores and make this nickel-steel and armour-plate upon her own territory? If the Government takes the proper action there is no doubt that the best skill and the strongest financial backing in England could be had to carry it on and it really looks as if it were possible for Canada to control the character and efficiency of the guns and the navies of the world. I am led to say this much from the statements of every expert with whom I have talked.

Sir Charles Tupper went fully into the question a great many years ago, he collected a lot of information and the conclusion he reached was that Canada, by reason of her monopoly of nickel, could control the output and should control it for the benefit of the steel industry and the armament of the Empire. That has not been accomplished. For some reason or other, in consequence of some influence—what it is I do not know—any movement in that direction has been frustrated from time to time and this industry has not been located in this country as it should have been. Now the time has come when it must be established here and the people demand that it shall be. Not only must we make them refine the nickel in this country, but I believe that this policy should be extended in the direction of producing in Canada all the nickel steel required in the world in so far as we can control one of the essentials to the production of nickel steel. Nickel steel is bound to play a more important part in the industry of the world and especially in the construction of armaments. Nickel steel is entering into everything, but if it is entering into everything, Canada has little or no share in its production. We have to import from the United States and pay duty on all the nickel that comes into this country for nickel-plating and similar purposes. That should not be. We should have the whole of that industry in Canada. We should supply the Mother Country with all the nickel she requires. It should not go by way of the United States. In the present emergency I will not take the word of any official of the United States in regard to where this nickel goes. It is impossible for a Canadian official to trace or control the immense output in the United States. It can be mixed up in every way with other things and it can be sent out through all kinds of ports and I believe it has been sent out through all kinds of ports. I am not making any charge against the Government but I am impressing upon them the necessity of changing their policy and getting the situation in such shape that they can regulate the output of nickel. There is no way to do it but by putting a prohibition on the export of the matte. You do not know what goes out in the matte? I have reason to believe that we do not know all of the products that go out in the matte such as platinum, polonium, irridium and some other kinds of valuable metals which are being recovered in the United States, and in regard to which no return is being made to this Government. For some reason that company has been able to check and paralyse every effort to secure the location of that industry in this country; how I do not know, but we see their agents all over this country. I have seen them in Ottawa, I have seen them in Ontario and they are everywhere in this Dominion. We ought to control this industry; we ought to get it in Canada. There is enough royalty to be taken out of the production of nickel to pay the whole national debt of Canada. I do not make that statement on mere hearsay or without consideration. I have considered it very fully. I have talked with people who know about it, I have read the opinion of scientists and of metallurgists and their conclusion is that the nickel deposits are enormously valuable. It would be a great advantage to Canada if we had absolute control of them. Sir Charles Tupper tried to get control of them and other people have also tried. But we have always been put off and now we are told that we are to be satisfied with an undertaking, to be carried out later, to put a refinery in the province of Nova Scotia, or one of the Maritime Provinces, where Canadian nickel will be refined in sufficient quantities for the use of Canada and the Empire. That is not satisfactory to me. We want that industry here, and while for the present we are compelled to allow the nickel to be refined in the United States, in order that the American factories can continue to make munitions for the Allies, there ought to be a further announcement here by Act of Parliament that on and after a certain date no more nickel shall be exported from this country, or only under

such terms as will give this country absolute control of the nickel.

But perhaps there is some relief for Canada in this matter. This company has strengthened itself; its capital is now in the neighbourhood from $40,000,000 to $60,000,000. I forget the exact figure, but it is a great capitalization; some of it, of course, is water. The people who control this company are rich in other metals mined in this country. They own the Dome mine in Porcupine, for instance. They say they have no German alliances. I should like to think that that was true, but the greatest trust in the world to-day is the metal trust which centres in the city of Frankfort, in Germany. That city is the centre of the metal industry of the world. This metal trust is so well backed by the German Government that, to use a vulgar expression, they got their hooks into Australia and got control of their metal. The organization probably controls the zinc output of the world. I do not care what has been said, there may be official denials, but I have no confidence in these denials. I do believe the Germans have a large interest in this International Nickel Company. That is the impression I have. I perhaps cannot say exactly how I gathered it, for you cannot get at Prussian methods these days. They hide things up so well, and humbug and delude everybody. And they can always get people in other countries to assist them. Germany has three or four of the biggest trusts in the world; one is the metal trust, and another a trust in regard to chemicals. By reason of the far-reaching character of these two trusts, and the way the Germans have of making all the world pay royalties, and by reason of the patent laws of various kinds protecting metal products, the Germans to-day dominate the world in regard to metals, and they dominate to-day in connection with the nickel industry in this country. It is time that it should stop. It is time for Canada to fix a day when nickel shall no longer go to the United States to be refined. We must find a way of locating the industry in this country.

I mentioned a moment ago something to the effect that relief might be in sight. I cannot pass judgment on certain information which has come before me in the last few months, and which has reached its culmination here in Ottawa in the last few days, but I believe that a process of refining not only nickel, but every other metal, has been developed in this country, and most of the work has been done in this city. A wonderful revolution in the process of reducing ores has been worked out, and demonstrated in the city of Ottawa, and with this result: whereas, heretofore, the International Nickel Company had to collect its ore in great heaps at Sudbury and roast it for a period of ninety days, the matte having then to be sent over to New Jersey, by this new method the process can be carried out within forty-eight hours. Instead of the International Company taking 100 pounds of their ore, and roasting it into matte which produces less than five pounds of nickel. by this new method they will be able to get 70 pounds of alloy, in a powder, from the 100 pounds of ore. That powder is then put in a crusible, and gives 50 pounds of metal, which, for convenience's sake, is called after the name of the inventor, Professor Burrows; and that 50 pounds of metal is the equivalent of 50 pounds of nickel in making nickel steel. There is the revolution. It has been effected in our own country, and I believe that it is a fact that out of 100 pounds of our nickel ore we shall get 50 pounds of Burrows metal, which is the equivalent pound for pound of the nickel that is used in making nickel steel. And not only will this process apply to nickel, but to every other ore. The process is largely based on the making of hydrogen gas in a very cheap way out of steam. Any kind of ore can be treated in this hydrogen furnace. I have been following this process now for some months, and I know others who have followed it and who are more competent to pass judgment on it than I am, and the impression that has been made upon me is that this invention will revolutionize metallurgy. This great discovery has been made in Canada. If we have this discovery, as I believe we have, and if the requirements of the Empire call for the control of the nickel output as an essential in this war, this National Policy Government, knowing of the vast stores of nickel in this country, should not delay a single day in making the announcement that the dependence of this country on a foreign corporation must cease, and cannot cease too soon. We ought to give this company notice that on a certain day they must begin to put up their plant in Canada, so that this country may control the entire nickel output. We should then know exactly what our ore was producing. We know this company gets 4 pounds of nickel out of 100 pounds of ore. They also get a little copper out of it, but we do not know how

much of platinum and other metals they get. We do not know where these metals go. It is all very well to say that this nickel can be traced, but it is very hard for any one who knows the ramifications of the metal trade in the United States to believe that the nickel can be kept track of. The metal industry in the United States is one of their greatest industries, and with their scrap and junk dealers, with all the ports of the country from which to ship, with the possibilities for concealing the nickel in ships' cargoes, there are numberless opportunities for getting the metal out of the country. We know that people have been found carrying contraband rubber within the past few months.

Mr. LEMIEUX: By parcel post?

Mr. MACLEAN: Yes. It is absolutely impossible to check this nickel ore.

Mr. MEIGHEN: Is it impossible to check the amount of nickel ore that goes out of Canada?

Mr. MACLEAN: No.

Mr. MEIGHEN: Is it impossible to check the amount of nickel ore that goes into Great Britain?

Mr. MACLEAN: No, you can check that.

Mr. MEIGHEN: If the two agree, then, is not all the ore going out of Canada going to Great Britain?

Mr. MACLEAN: Does the hon. gentleman tell me that all the nickel that has been sent to the United States has gone to England?

Mr. MEIGHEN: All that has been shipped.

Mr. MACLEAN: Has none of it gone into nickel steel?

Mr. MEIGHEN: That has not been shipped.

Mr. MACLEAN: Shipped where?

Mr. MEIGHEN: All that has been shipped from the United States has gone to Great Britain.

Mr. MACLEAN: How does the hon. gentleman know that?

Mr. MEIGHEN: The hon. gentleman just admitted that we could check it off.

Mr. MACLEAN: I said you could check what goes to England. Has the Solicitor General information that all the nickel that was produced from all the nickel ore that we sent to the United States went into Great Britain?

Mr. MEIGHEN: Yes, I have the report that shows it went to Great Britain or our Allies.

Mr. MACLEAN: But an immense amount of it is used in the United States.

Mr. MEIGHEN: All that went out.

Mr. MACLEAN: But you cannot trace what goes out, for instance, what goes out at Galveston, because it can be put into steel rails and other things.

Mr. TURRIFF: You have to take the Hun's word.

Mr. MACLEAN: I am not saying that; I am not trying to put the Solicitor General in a wrong position.

Mr. GRAHAM: He is trying to do that to you.

Mr. MACLEAN: You cannot trace all the nickel ore that goes out of this country once it gets into the United States. England has her agents there and we have our agent, who is a very competent official, but once the nickel gets into the United States—and foundry after foundry is in need of it for making steel—it cannot be traced. In the United States Congress the other day the question of preparedness came up and it turned largely on how the navy of the United States could be strengthened. The Government there proposed to buy their armour plate from certain foundries who have the control of it, and the control of the production of armour-plate in the United States turns on the monopoly which the International Nickel Company have in regard to nickel, and the two monopolies together having control of armour-plate, they held up the Government of the United States, who were trying to solve the problem of preparedness, by telling them: "If you do not buy all your armour-plate from us, you will get none of it or else we will double the price which will make it $400 a ton. Now, the same thing might happen to the Empire of Canada, and we cannot afford to have such a state of affairs any longer. We must have control of our nickel and with it the control of nickel-steel and armour-plate, and it is time that Great Britain, if she is to maintain her position among the fighting nations should, along with Canada, control all the nickel output. I believe that all the people of Canada are in favour of such a policy, and there is an opportunity now of recovering our position. Even supposing that the

new process that I have mentioned may be overstated and that those who control it may be over-enthusiastic, the time has arrived when we must serve notice that on and after a certain day the control of this monopoly, which is in our hands, must remain in our hands, because such a course is in the interest of the Empire. It has been said here that the officials of England endorse what we have done. I have not the greatest faith in the way in which the war has been handled so far by the British officials. They have been humbugged by the Germans, and from my place on the floor of the House I tell the Admiralty that they have badly managed this matter of nickel and that they did not take the advice of Sir Charles Tupper when ten or fifteen years ago he urged them to take control of the output of nickel. It is very hard to convince British officialdom what it ought to do in certain matters and especially in matters of high policy, and the following criticism was passed upon them recently by the scientists of Great Britain who asked the British Government this simple question: Why are not the best scientists in the British Empire not in the service of the country? A gentleman asked: "Why do you want that?" One of the scientists answered: "Well, we would have told you about lard and we would have made lard contraband." "Well," said the gentleman, "what has lard got to do with the matter?" This scientist was able to tell the Government that lard was used largely for the production of glycerine and that glycerine was one of the important elements in explosives. Germany has the advice of the best scientists that she possesses and she breeds scientists for the service of the state. England, on the other hand, has not in her service the scientists that she ought to have, and that is the reason why she was found unprepared, and she is still unprepared, and the charge of the British people against their own Government is that they have not been prepared and that they have not had the advice of the scientists and of the best trained men of their own country. That being the case, and Germany having these scientists at her service and being resourceful in queer methods, with the aid of her scientists and her business organizations, she has been able to get all the nickel she wants, and during the last fifteen years, while she was preparing for this war, she was getting unlimited stores of nickel from Canada for the making of her armour plate, munitions and great guns, and to-day she has the largest guns, every one of which is strengthened and reinforced by Canadian nickel. If we had had a live imperial policy, based on scientific knowledge, that would not have happened, and we would not be in the position in which we are to-day. That being the case, the Empire must call her scientists to her assistance and we must have an Imperial and a national policy based on the absolute control of nickel, of which we have the monopoly. I think Norway produces a considerable amount of nickel, and France, through New Caledonia, also produces a considerable amount, but their supplies are not to be compared in richness, in ease of mining, or in ease of extraction of the ore, with the Canadian nickel. If that is so, we have not taken advantage of the possession of this great wealth of nickel to further the defence of the country and to build up new industries in Canada. Just think, Sir, of the requirements of the world to-day in the way of nickel steel for rails; think of the monopoly that we could have, the control that we could have of the commerce of the world and the influence that we would exert in the United States if we had control of our nickel.

I am not here to blame any one. Perhaps every one is to blame for the present position of affairs. But the Canadian people, just as sure as the sun will rise to-morrow, expect that the Government and Parliament will change that condition of affairs. We have drifted into it. Able men have manipulated us into the position. I have seen these so-called able men and have been surprised at the things they have done and the condition of affairs which they have brought about. While I attribute no blame, I appeal to Parliament to put an end to this state of affairs and to keep this industry, build it up, for the use of Canada and the Empire, and to tax it. What is the characteristic of the new condition of affairs to arise out of this war? It is organization to the highest degree of our great industries and of the conservation of our resources. We cannot go on after the war in the old way of allowing private interests and foreigners to control our great resources. The country that is to survive must be organized economically and industrially, as Germany has been organized. It cannot keep up the battle otherwise. The new democracy is based on this, that the state and not individuals is

to control these products and regulate these industries. It is in the interests of humanity that such concerns as the great Krupp industry of Germany and the armament trust of Europe and the United States should be managed by the State. These interests have been charged with encouraging war, with actually having emissaries and newspapers for the purpose of promoting war in order to secure a profit for their shareholders. But under the new condition of affairs, the most prominent thing you will see is that the State will organize and control such an industry as the nickel industry—which we have not yet got in this country, but ought to have. We should take effective means to change our policy in this matter. We should go at once to the British Government and ask what they are prepared to do; ask if they are satisfied with a condition which results in Germany having the supply of nickel that she has and the armament she has, made out of Canadian nickel. If there is a new invention in this connection, I would advise the Government to try to get control of it. If by this new process our Government could control the nickel industries and direct what things shall be made from nickel, including nickel steel rails, we should have the leadership of the world to-morrow. And now that we are seeking revenue, and proposing to tax the various industries, I would point out to the Minister of Finance that here is one industry that could be made to pay by royalty or otherwise a very large portion of the war debt of Canada and be a permanent source of revenue to the country.

Not only must we conserve the metal industries of this country, but we must conserve other natural resources, such as waterfalls for the production of hydro-electric power; also the petroleum and other resources of that kind. We should not allow them to be alienated even to our own people, but should keep them in the main for the benefit of the nation and of the Empire. And the sooner we begin a policy of that kind the better will it be for this country. I hope the Government will make some inquiry forthwith, and not be satisfied to take the statement that has been put on record; not merely say to these people that we will let them establish the nickel-producing industry where they direct. Let us be the judge of what we want. We want to know what is in that ore, and we want to know how it is got out and where it goes. And if there is in this a great monopoly of unparalleled wealth, we want to make it share the expense of carrying on Government in Canada. And we cannot do that unless we locate the industry here. My talking here to-night to a small House may not have very much effect, yet I think that even my feeble voice will be heard outside this House and throughout this country. Since taking up this question two or three years ago, I have been surprised at the correspondence I have received from all over Canada, especially from those interested in our northern mines, asking why we have not established this industry in this country. I find that in Sudbury, near which these mines are situated, they regard it as of moment and as giving a great deal of work to them. I want to see that strengthened and the completing work done by this industry carried on in Canada. It may pay us to take it over to-morrow by some form of expropriation with fair payment given. But we ought to be considering the matter. The attempt is made to shove it over to the future and take the promises of the company. That will not do for the people of Canada. This is one of the most vital issues in the country to-day, and some solution of it needs to be found. I hope the Government will find it and that Parliament will take it up, and that Canada will find herself in control of one of the greatest monopolies in the world which can be used for the welfare of mankind and especially for the defence of the Empire.

I had intended to discuss in this debate some of the other questions involved in the motion now before the House. But I will leave that over to the committee stage of the measure. I wish to add a word to give credit to the Minister of Finance for his boldness in the revolutionary policy which he has introduced.

The Budget is subject to criticism in respect of certain points, but it is certainly subject to commendation for its good points, and for the manner in which it seeks to make certain people in this country pay their portion of the war expenditure. The minister deserves great credit for that part of his Budget; as the Solicitor General said this afternoon, those who are well able to pay will have to pay. There are other ways in which he could get the money and make the tax more equitable, but probably he will come to that, or, as the Solicitor General said this afternoon, perhaps that will come later. The minister has con-

ducted himself in a very praiseworthy way in financing the affairs of Canada. But there is a still greater question yet to solve, and that is how we are to finance the Canadian people as a people, having regard to war conditions. Are our currency laws, our banking laws, our methods of lending money to the farmers, all of the best possible character? The minister has promised to consider and introduce legislation that will establish a system of agricultural credits in Canada; that is a step in the right direction. A little later, perhaps in committee, I intend to take up the banking and currency question, and to discuss whether we are doing everything we can to finance not only the Government as an organization, but the business of the country as well. In closing, I trust that some new departure will be announced at a very early date with regard to the nickel monopoly, which we have allowed to pass out of our hands.

Mr. J. A. C. ETHIER (Two Mountains): (Translation.) Mr. Speaker, the Budget resolutions have occasioned quite a number of speeches, aiming at propounding the best possible settlement of the question which the tariff and the financial heads of the country are striving to solve, in an endeavour to tide over the present crisis.

Every newspaper in Canada discussed their contents; business men gave their opinions and made suggestions; and when the end of this lengthy debate has been reached, I am sure the hon. the Minister of Finance will have come to the conclusion that his proposals must be further reconsidered, and modified, in their most drastic essentials.

I do not claim to be a financial critic or expert; so my object is not to demonstrate how imprudent it would be to adopt the Budget proposals as they stand, but merely to inquire into their general drift and give some of my views on the question.

Three features of the new Budget have given rise to objections and protests: the system of taxation, its unequal distribution and the retroactive clause; and I do think that in all three respects the new Budget is inconsistent and objectionable.

As I view the matter, the hon. Minister of Finance has made an unfair distribution of the new taxes, by taking no account of the difference between the big and small concern. The part that is most objectionable and was chiefly aimed at in the criticisms made by the business men of this country, is that which puts a premium on watered stock and imposes a burden on legitimate corporations. Thus, a company with $1,000,000 of preferred stock fully paid up and $1,000,000 of watered stock may realize a profit of 14 per cent on its stock and yet evade the new tax, because its dividends would amount to only 7 per cent of its entire capital.

As to the retroactive feature, it also came in for severe criticism and I will draw the minister's attention to the opinion of an eminent banker:

> My opinion is that there were two ways of meeting the war expenditure; first, by an income tax and secondly by effecting a loan on future revenue. Yet Sir Thomas White makes an onslaught on past revenue, which comes near to confiscation. The difficulty increases once dividends are paid over. It would be easier to take a bone away from a dog than the dividends paid over to shareholders.

And then, how far back will the tax apply. The retroactive clause mentions "every fiscal year ending after the 4th day of August, 1914." So that, if a company's fiscal year comes to end on the 31st day of August 1914, it would follow that the profits of that year would be subject to the tax. Sir Thomas White's speech seems to show that only the profits earned after the 4th day of August 1914, would be subject to the tax, but the resolutions do not warrant that interpretation.

Moreover, certain sections of the Budget, dealing with the taxing and collection, are so vague and ambiguous, that they are bound to give rise to disputes and discontent that will work prejudicially against the good management of public business.

I think the proposed taxation should be apportioned among all citizens according to their status, their financial standing and their income; as well as upon the real estate and even, as suggested by the hon. member for Maisonneuve (Mr. Verville) on bachelors, if the needs of the war become still more burdensome.

I am of the opinion that the hon. the minister, when draughting the Budget, made a grievous mistake in not imposing a special and substantial tax on the profits resulting from the manufacture of war munitions. No one could have objected to a tax of 50 per cent on profits of that kind, nor to its being made retroactive.

It is unfair to put on all business men identically the same burden as on people who have made excessive profits in the Empire's hour of peril.

Take as one only of the cases in point, the Maxim-Vickers firm highly bonused, I am told, by the Montreal Harbour Com-

mission and the City of Montreal. It secured big contracts from this Government for the manufacture of munitions, reaping large profits; that company has now locked out on the street a large number of workmen whom I saw yesterday parading in the streets of Montreal, as a protest against a decrease in their wages now barely sufficient to enable them to support their families.

Thus is the people treated by those powerful corporations, with the Government standing by and not even daring to tax them, much to the prejudice of smaller industries and particularly the workman. Those very firms take advantage of the exceptional circumstances through which both the country and the Empire are passing to heap millions on millions, without giving a thought to the common misery.

The whole question may be summarized in the opinions which have been expressed by men high up in the financial world, such as Lord Shaughnessy and Mr. Henry Miles, ex-president of the Montreal Board of Trade. It is right that this House and the electorate should be given the views of those eminent financiers, and I believe I ought to have them recorded in Hansard for the Government's and the country's information.

Lord Shaughnessy, president of the Canadian Pacific Railway, gave out to the press the following interview:

> The war has, as we all know, added and will for some time continue to add, important financial burdens to those that the country was already carrying and the Minister of Finance is compelled to resort to drastic methods of taxation for the purpose of the situation.
>
> The measure now before the House would appear to be about the most feasible means of providing the additional revenue required, but it strikes me that it has some features requiring elucidation, and that Sir Thomas White would be inclined to amend before the Bill becomes law.
>
> It may be pointed out that if "the amount paid up on its capital stock" needs to be determined by the share capital actually issued as fully paid, some of our Canadian companies, although making large profits just now, will have oceans of water between their net revenue and the proposed tax, while others, like the Canadian Pacific, for instance, have outstanding capital stock less in amount than the money actually paid for it, without reference to appropriations from revenue for capital expenditures.
>
> Every good citizen and reasonable man will loyally stand back of the Finance Minister if he adopts a plan of taxation that they find may finally be considered best in the circumstances, but in return the people of the country will demand probably more emphatically than ever before, that expenditures in connection with war shall be without wastefulness or extravagance, and that the Minister of Finance, with his colleagues, shall see that the country's money is neither pilfered nor squandered.

[Mr. Ethier.]

As to making the tax retroactive, Mr. Miles published on the 22nd of February last, the following letter:

> 22nd February, 1916.
>
> Mr. George Hadrill,
> Secretary, Montreal Board of Trade.
>
> Dear Sir,—I observed the other day that the Council of the Montreal Board of Trade had discussed informally the proposed war taxation scheme placed before Parliament by the Finance Minister of Canada, and that the council had expressed the conclusion or opinion that the measure in question was satisfactory to the business community. I have learned to-day that a committee has been appointed to look into this matter—more carefully I trust.
>
> There is one feature in regard to this proposed taxation that cannot be maintained as equitable or just. I refer to the principle of retroaction. Retroactive legislation has been disapproved the world over, and is of extremely rare occurrence. There have been occasions where retroactive enactment has been for the specific purpose of affording relief, but I cannot find record of one deliberately passed by the representatives of any people calculated, or that can be clearly shown to convey hardships, injustice, and in some directions even misery.
>
> I do not criticise the rate of taxation, nor do I wish to take up the question of the multitude of people that escape the taxation altogether. There escape makes it no better for those who are included. I wish to put before you simply a few words in regard to making this taxation apply to the year 1914. In the abstract it can be readily argued that taxation of this character will prove the greatest blow to the commercial interests of this country that has ever been inflicted by Act of Parliament.
>
> It has evidently been estimated along the lines of its effect upon the large companies—the smaller companies and individual interests have not been considered—these are totally different from the larger companies. It will be the act of a government, and of a large majority of the representatives of the people in Parliament, should the measure not be amended. The commercial people of the Dominion are intelligent enough to ultimately appreciate and resent this application to them of a drastic, unfair, unequal taxation of business. If the measure had been made applicable to munition supply and manufacturers who have profited enormously by the war, it would not be possible to find probably other than approval. The profits in those directions have been abnormal, and in many directions a matter of public scandal. At first sight the appearance of making the law retroactive, and to cover the entire year 1914, one would say, perhaps, the only question is that of getting back from shareholders a small percentage of what has been distributed to them in 1915.
>
> In the first view of the matter, the ordinary man in the street has in mind that business has gone along about the same, or has been vastly increased by war orders. When one analyses a bit it can be quickly seen that vast numbers of business houses, individuals, firms and companies doing a good profitable business up to the time the war broke out in 1914 and who made a very good showing of profit for the whole year 1914, found their business totally changed by the war, or through its effects.
>
> Any number of houses who did a profitable business in the ordinary spheres of commerce in 1914 did little or nothing, or at the best a very

poor business in 1915. Their profits of record for 1914 have been distributed or made use of, and now in 1916 this class, or perhaps the majority in number of the business houses in Canada, when making little or no profits, are called upon to pay back as a tax the money made in 1914, already, as above stated, distributed or dissipated. I know personally of several business concerns that came under the provisions of the proposed tax, who made excellent returns, in fact, some of them remarkable returns, for the year 1914, principally attributable to the first nine or ten months, and since that period have made nothing, or a bare operating expense. To meet the provisions of the Act thousands of business houses will be obliged to borrow the money for this tax to pay to the Government the percentage of money made in 1914, and which has been paid out and used by the shareholders or individuals.

I believe the only fair method of taxation to reach a scale of result, such as is aimed at, would be the "Income Tax," but if this is to be applied for only two or three years, the cost involved in the organization would appear to be a grave objection. Montreal has met the calls for the Patriotic Funds on two occasions and each one, and every one in our city, filled with loyalty, is willing to make sacrifice, and do everything that could be asked by the Government of the country.

It is presumed that the scheme placed before Parliament will be carried into effect, but it is certainly not too late to seek some amendment. I believe that the Council of the Montreal Board of Trade should not have expressed an informal opinion on this subject without further and more serious consideration.

Unless some definite action is taken we will see the name of the Montreal Board of Trade utilized on the floor of Parliament to justify making these taxes retroactive to the definite injury, from an unjust and inequitable point of view, to the commerce of Montreal and to commercial interests of the Dominion. I think the energy and influence of the Board of Trade should be directed to the obtaining of an amendment against this drastic retroactive feature of the measure, to the end of making it applicable to the present and future for a term of years. Should it be made applicable from, and after the first of January, 1915, it would probably be found open to less objection that as at present, because in most instances disposition of any profits made in the year 1915 has not taken place. It is in regard particularly to the year 1914 that you can find the most absolute objections to this retroactive feature.

Some of the leading bankers of the country have been astute enough to withhold their opinion on the Finance Minister's proposal to the House of Commons, but it is regrettable to notice that many bankers have expressed approval just in the same way as did the Council of the Montreal Board of Trade last week. It is surely a time for us all to be serious. No individual or body has any particular monopoly in respect to loyalty to the Empire, and it seems lamentable to me that the names of so many well know staid bankers can be coupled with that of the Montreal Board of Trade, as expressing approval as to this measure of taxation, particularly so long as it includes going back two years to a time when no one even thought of war, and having effect of making third parties pay in taxes, profits of a peace period, already dissipated or paid out in other directions. It is wrong to mislead the Government in this way as well, and more seriously unjust to business people all over the Dominion of Canada. To this latter it costs money, it costs trial and tribulations, it is unjust and unfair, while to the former it is a question of political life, and reaches only individuals instead of entire commercial communities. The company that makes very narrow profits on a watered capital, readily joins in the chorus of bubbling loyalty to approve, for the very good reason that the measure does not touch these people. The house that runs its business on a capital that is represented by gold dollars, dollar for dollar, makes a bigger percentage of profit, and is thus not upon an even basis with the watered undertaking. But hardest of all is the position of the house using only real capital, whose business was excellent in 1914, and almost done away with as soon as the war commenced in 1915 and 1916— and who find that with no business return there is obligation, according to the law of the country, that he borrow or procure money from some source, to pay back the ante-war profits of 1914.

The retroactive principle of this taxation measure cannot be justified, and never will find justification if it be finally carried out, and I beg to express the opinion to-day that it is th duty of the Montreal Board of Trade to interv vene energetically towards securing amendmen in that sense, and if the Council of the Montreal Board of Trade still hold to their informal expression of opinion to the public, I believe in justice to the membership and to themselves, under the circumstances they should not hesitate to call together a general meeting of the Montreal Board of Trade to help guide them in the action that a majority of that incorporate body desires in this matter.

Yours truly,

HENRY MILES,
Ex-president of the
Montreal Board of Trade.

Neither of those two opinions need be commented on and I would draw to them the minister's attention, in the hope they will be of some use to him in framing the Bill which will be submitted after the adoption of these resolutions.

Instead of the usual title " Budget for the fiscal year ending on such a date," the hon. the Minister of Finance's report might be called " The War Budget."

On the 4th of August, 1914, when war was declared, the national debt amounted to $330,000,000. In December last, 1915, it exceeded the half billion mark. According to the estimate of the Minister of Finance, it will reach $830,000,000 by April, 1917, and I claim that before the war is over, it will be a billion, and after the war, what with the pensioning list providing for the families of the victims, for the wounded and invalids, it will reach the billion mark.

I do not feel sorry for having given my support to the vote of fifty millions asked for at the short war session of 1914, nor for the one hundred millions we voted last year, as I shall also vote for the two hundred and fifty millions asked for by the Government this year, as Canada's contri

bution to the cause of the Allies, in the tremendous struggle before which the entire world stands terrified, dismayed and appalled.

It was Canada's duty, and it still is, to extend its help to the utmost of its resources, to the Empire, for the sake of its past, the glory of its present and to insure its future security. But ought we not to stop to think on the consequences of an enthusiasm and a so-called patriotism worked up to fever-heat, which may drive the country to bankruptcy; as was put by the Solicitor-General (Mr. Meighen), and inevitably to imperialism, which we have in the past condemned and shall not now countenance.

On the 1st of January last, the Prime Minister thought fit to make a gift to the Canadian people, and, while expressing his wishes for the coming year, he stated that his hope and wish was to see the people of Canada enlist to the number of 500,000 men. At the same time, he had his colleagues give the country at large the assurance that military service would never be made compulsory; and the hon. the Solicitor General has again this evening made the same declaration. Well, up to date, the recruiting has brought 250,000 men to the colours, only 50,000 of whom are said to be at the front, the rest being found in the various training camps throughout the country. The cost of maintenance, together with the salaries of those 250,000 men, would amount, according to the money votes submitted to about $400,000,000, and if the number of soldiers be doubled, we shall of course have to expend $800,000,000, entailing a yearly payment of interest to the extent of $40,000,000.

It is stated that military service will never be compulsory in Canada. But in view of the desire expressed by the Prime Minister and his War Minister to reach 500,000 men, we are really coming, by a back doorway, to compulsory service.

According to the census statistics of 1911, what was the male population of the Dominion from 19 to 30 years of age, and from 30 to 40 years inclusively? The first class comprise 756,349, and the second 568,214, a total of 1,324,563; one-third means 448,053 men. So 500,000 men would be not less than one-third of the male population between 19 and 40 years, fit for military service. Could any more men be enlisted by means of compulsion? I think not. And when you take into account the means taken for enlisting recruits, consisting of intimidation and misrepresentation, you are quite right in impeaching the good faith of the Government in their statement that no compulsion will be resorted to. We need only mention the stand taken by the Dominion Bridge Company, of Lachine, where as we are informed, work was refused to those employees holding back from enlistment. Everywhere in the country, agents and officers of the Militia Department urge, in many cases quite unduly, our young farmers to enlist, and thus deprive our farmers of the help necessary for keeping up the tilling of the land.

I shall insist on this question of farm help as it should be considered of prime importance by the Government. It is all very well to wear khaki, handle a gun and a bayonet, but in the present crisis there is more profit for the future in not leaving to rust the plough and the reaper, and in preparing to till the soil and take in the harvest; and without the required farm-help what will happen to the produce needed by the army and the country. And since the Government will not raise the embargo on American wheat, which we could utilize if there were a failure of the Canadian harvest, we must at all costs see to enlisting our farmers' sons in the great army of tillers of the soil, and keep them in the country.

I noticed in the February bulletin of the Conservation Commission, published at Ottawa, a report of an investigation made last summer. They found that out of 400 farmers 15 per cent employ help the year round, 11 per cent by the month, 34 per cent by the day and the balance occasionally; 64 per cent employ men born in Canada, 13 per cent men from the United Kingdom and 2 per cent employ aliens. Those figures go to show the great scarcity of farm hands who, by what I claim is excessive recruiting, are withdrawn from the farm and the city.

The present must be taken care of, Mr. Speaker, but the future must also be anticipated, and we must give some forethought to the fields of activity that after the war will call for development in order that the country may recover from the stress, namely, our public works, colonization, railways, harbours and canals, etc. Has this Government administered the moneys which have been entrusted to it as an honest and conscientious trustee? I claim not.

Since the 4th of August, 1914, they have taken an undue advantage of the political truce, of the good faith of the Opposition, of the generosity of the Canadian people. At a time when all true citizens of all races and creeds, are making untold sacrifices for the destruction of our common foe; when our daughters enlist as nurses, go to the front, and swell the ranks of the valorous

and heroic Red Cross; while our wives are vieing in zeal, patriotism and devotion to send aid to the French and Canadian soldiers, what were we given to behold in this country? With the Government's open protection and consent, or at least tacit toleration, dishonest politicians are known to have manipulated the war funds to suit themselves, gorged themselves with enormous profits obtained through political patronage and heaped millions of dollars over the corpses of their fellowmen stricken by German shrapnel while defending their country.

One need only recall without going into details the scandals which under this Government have blurred the pages of our parliamentary history since the 4th of August, 1914. Think among others of the shameful transactions concerning the purchase of submarines in British Columbia, the purchase of hay, horses, motorcycles, trucks, field glasses, drugs, even such as were required for dressing the wounds of our martyred soldiers; also the orders for boots, uniforms, blankets, shirts and slippers.

The exchange of communications between the hon. the Prime Minister and the Manufacturers' Association, as to war supplies shows the iniquitous deals which have been put through and of which the Government will be answerable to the people in due time.

Is not the punishment making itself felt already in Peel county? The hon. member representing that county in the Dominion Parliament (Mr. Blain) could tell us something about it. Does he not see the writing on the wall warning himself and the Government of what the country has for them in store? The lesson may be profitable to the Garlands and Fosters, partners of the late Peel poltician, Mr. Fallis.

Moreover, the provinces of Prince Edward Island and Manitoba had already sounded the signal, and in the late by-elections British Columbia has been seen to fall into line; the future will take care of the other parts of the country. A very eminent citizen —an ex-Minister of Justice in the Conservative Government—has been heard in condemnation of the present Administration, and is siding with the Liberals in their policies; such is Sir Charles Hibbard Tupper. True it is that the hon. the Minister of Public Works (Mr. Rogers) is said by the papers to have stated that he would never have thought a Tupper could be any other but a Conservative. But the minister must know that we are never too old to learn; such is now his painful experience.

To the long list of scandals which I have given must be added the contracts for shells and other war munitions and requisites entered into by the notorious Shell Committee, a creation of our too famous Minister of Militia. In spite of the charges launched by the member for Carleton (Mr. Carvell), in spite of the intimation given by even the press of Canada, will the Government refuse the investigation called for in no uncertain terms by the Ottawa Evening Journal and the Montreal Star? I will quote first the Evening Journal:

Mr. Carvell's speech in the House of Commons, Wednesday, was the most extreme indictment yet uttered or published of alleged shortcomings in the Canadian case. It contained all of the complaints and none of the explanations or compensations, nevertheless, it was forcible because it cited what seemed illustrations of the Shell Committee having sometimes unfairly ignored some would-be shell manufacturers, while extending patronage to others; also because apparently sometimes prices were paid which circumstances could hardly justify; also because there appeared sometimes to be political interference and corresponding profit to middlemen. The Journal is under the impression that the whole subject has been so messed up now that an inquiry and report would be desirable, made by some tribunal not liable to be suspected of being under partisan domination. There may be technical difficulty in regard to the Shell Committee being of Imperial appointment, but we think the public wants some independent report in the matter and that is worth the Government's while to try to supply.

Let us now see what the Star has to say in the same connection:

Now that Sir Wilfrid Laurier has put down a formal notice of motion calling for an inquiry into the work of the late Shell Committee, it is earnestly to be hoped that the Government will not hesitate to join heartily in launching the unpleasant task. Sir Sam Hughes gave us some figures, during his fighting speech on the subject, which were distinctly reassuring. But the public mind has reached such a condition of doubt and suspicion touching the matter that nothing short of sworn testimony and a chance to bring out all the truth will satisfy it. Both sides in the House have now quoted figures. Let both sides now submit their figures and their facts to expert analysis and searching investigation.

The honour of Canada is at stake. This is more important than Canada's money. As for the attitude of the British Government, they cannot, of course, ask for an inquiry. They cannot even seem to encourage one. They still regard Canada as "the spoiled child" of the Empire, and must perfunctorily pat us on the head for offering to make shells at all. But the British Government will undoubtedly and joyfully consent to an inquiry if asked to do so by a unanimous vote of the Canadian Parliament.

After such denunciations, the hon. leader of the Opposition (Sir Wilfrid Laurier) has thought fit to submit the following resolution, now on the Order Paper:

That a special committee of members of this House be appointed to inquire into all pur-

chases of shells or other munitions or goods by the Shell Committee formed by the Minister of Militia, as stated to this House by the Prime Minister on the 15th April, 1915, together with all contracts made or orders given by the said committee for any shells or other munitions or goods, with authority to the said committee to examine witnesses under oath and to require the production of any documents, books, letters or papers; and that such special committee be directed to report from time to time to this House in such manner as it may think advisable.

I trust the resolution will be carried unanimously and that, for the good repute of the Canadian Parliament, the investigation will be ordered, so that the guilty may be unmasked before the people and be dealt with by the law of the land.

And, moreover, while all men of good will unite and concentrate all their best energies in an endeavour to secure the welfare and safety of the Empire and to crush the Germans, the Government entrusts to those very Germans the most important functions in the country's public service. Thus I have been surprised, amazed to hear the hon. the Minister of Militia boast that he was employing as brigadier-general in the Canadian army a German by the name of Kahn. In the course of a recent debate in this House, the Minister of Marine (Mr. Hazen) eulogized another German, Mr. Heidmann, his private secretary. Another German is said to be assistant private secretary to the Minister of Public Works (Mr. Rogers), at the Ottawa post office, there is another German employee by the name of Dohlmann, in the dredging service another German, with his father and brothers fighting for Germany, is now employed at examining our harbours and has charge of the dredging of our rivers and lakes. The head of the Mines Branch is also a native of Germany, Dr. Haanel; the head botanist for the Government at the Ottawa Experimental Farm, Dr. H. T. Güssow, is another German; and in the renowned Gutelius in whom the Minister of Railways has full confidence for the management of the Intercolonial, we have another German. In this very building, the National Museum, where the House is now in session, many offices are filled with Germans, who belong to the Civil Service. And to get this building ready for Parliament after the conflagration and disaster of the 3rd of February, the Minister of Public Works went to the extent of giving employment to German labourers, to the detriment of British citizens of Ottawa.

I will not say, nor even insinuate that the persons I have mentioned are spies, but now that we know German kultur and its elaborate spy system throughout the world, it is the Government's duty to take all measures necessary to safeguard State secrets. If those employees realized their position, their first care, after the declaration of the war with Germany, ought to have been to hand in temporarily to their minister their resignations, as did Mr. Brandt, of German birth, a homestead inspector for the Interior Department. The Prince of Battenberg, also of German birth, and allied to the Royal House of Great Britain, saw fit, and it is to his credit, to hand in his resignation to the Imperial authorities at the beginning of the war. That is another example the Germans in our Civil Service ought to follow. And as they refrain from doing so, it behooves this Government in the very interest of those civil servants themselves, to discharge them and put in their places competent Canadians of Canadian birth.

In Great Britain, the same leniency was not shown for Sir Edgar Speyer and Sir Ernest Cassell, two Germans, who were asked for their resignation as King's Privy Councillors. And in Germany, Mr. Speaker, could there be found in the public service a British subject, having access to the secrets of the several departments of the Reichstag?

Indeed not, over there they go to the extent of expelling from German territory women of British and French birth, when indeed they are not incarcerated, as happened to our hon. friend, Dr. Béland, ex-Postmaster General, referred to by the hon. member for Rouville (Mr. Lemieux) and notwithstanding all the requests and diplomacy of the Canadian Government, helped by the Imperial Government, Germany persists in her refusal to set at liberty our friend Mr. Béland. A base exchange was offered for our friend's liberty, the condition being the release of a mean spy incarcerated in the London Tower; the offer was proudly refused.

In certain quarters, despite the common danger, it is sought to pit against each other the two races that live in this country under the protection of the British flag, and in that connection, I may say to the people of Ontario, as years ago was said by the Hon. Honoré Mercier to the people of Quebec, "let us once for all stop our fratricidal feuds," because in Ontario as well as in Quebec English-Canadians and French-Canadians should live in a common brotherhood. I join in the appeal framed so eloquently by the hon. member for Bonaventure (Mr. Marcil) to those of our English-

speaking fellowmen, who believe in justice, broadmindedness and true British fair play, to put an end to this unfortunate school question and bilingual embroglio, which threatens the peace and safety of our country. Leave to such fanatics as the hon. member for Frontenac (Mr. Edwards) the monopoly of sarcasm, and gross and unwarranted insults with which that worthy scion of the followers of William of Orange must on every occasion bespatter everything Catholic and French-Canadian.

I am sorry the hon. member is not in the House at present, because I want to take this opportunity to read to the members the report of a meeting held at Kingston, as published in the Ottawa Free Press of the 25th of February, at which meeting that gentleman has vented his malice against the province of Quebec. I quote the whole article:

Says Quebec not doing its duty—Dr Edwards in Hot Speech at Kingston—Sees Traitor Influence in Lack of Recruits.

Kingston, Feb. 25.—(Special.)—Dr J. W. Edwards, M. P., gave some red-hot stuff to the members of the Frontenac Conservative Association in session for their annual meeting here yesterday afternoon. He declared that he had voiced the opinion of both Liberals and Conservatives in making an attack upon Bourassa and Lavergne in the Commons recently.

With the motherland of Quebec province attacked, Dr Edwards said, it would have been expected that the province would have sent at least 100,000 men overseas, it had not sent one-quarter of that number. While Ontario sent 14 per cent of its available men between the ages of 20 and 45, Quebec sent but 6 per cent, and, according to Mr. Lemieux, only 9,000 of these were French-Canadians.

Continuing, Dr Edwards scornfully exclaimed: "These are the people parading the streets of Ottawa, and who have certain public men as heads making demands for equal languages, and telling the people not to go to war until Ontario has given them what they want, and also telling them not to contribute to the war until they get what they want. Vile as the Germans are, they have no use for a person who is a traitor to his country."

I throw back with scorn at this fellow his vile and mean language, spoken outside of this House; let me tell him that the province of Quebec will not have him as its spokesman in denouncing to the people of Ontario Messrs. Bourassa and Lavergne. If Quebec requires defenders against demagogues who would put us in a false light before our fellow citizens, we shall not have this business done for us by any insulters from the ranks of the Frontenac Conservative Association. We have in our midst men who can go to the very heart of Ontario, to Toronto, as was done only lately by the hon. member for Shefford (Mr. Boivin) to convince even Orangemen of the stamp of the hon. member for Frontenac that the province of Quebec is as loyal as Ontario may be.

Vile fellows and traitors are we, according to the hon. member for Frontenac! Traitors indeed, those who in the space of five days have in Montreal subscribed to the Patriotic Fund the sum of $2,378,854! Vile fellows and traitors indeed those Sulpicians who have contributed to the Patriotic Fund the round sum of $35,000! Vile and traitors those Canadians who have shed their blood at the battles of the Marne and Ypres! Vile and traitors those brave French-Canadians of the 22nd regiment, who, at the very moment they were being insulted at Kingston by the hon. member, were giving their lives in the trenches under the walls of Verdun. I much rather accept the testimony of the officers of the British army, of the hon. the Minister of Militia himself, of the hon. member for Simcoe (Mr. Currie) and of eminent citizens of Ottawa, such as Sir Joseph Pope and Mr. Cameron, Registrar of the Supreme Court.

After such evidence, the only place for the diatribes the hon. member for Frontenac may give vent to, is the waste basket.

Mr. Speaker, I am sorry to have kept the House until such a late hour in the night but I had at heart to set in its true light, and such as I understand it the present situation. A last appeal I would make, Mr. Speaker, let us extend the hand of fellowship; let us be fair to the minority and respectful of our constitution, our treaties and acquired rights; let us prove to the whole country, and to our fellow-countrymen of foreign birth, our good public spirit and the generous and broad culture of the Canadian people.

Motion agreed to and the House went into Committee of Ways and Means.

Progress reported.

On motion of Sir Thomas White, the House adjourned at 1.40 a.m. Wednesday.

Wednesday, March 1, 1916.

The House met at Three o'clock, the Speaker in the Chair.

THE PARLIAMENT BUILDINGS FIRE.

MESSAGE OF SYMPATHY.

Mr. SPEAKER: I wish to inform the House that I have received the following:

Barbados, Feb. 24, 1916.

The Speaker,
House of Commons,
Ottawa.

The Barbados Chamber of Commerce in annual session assembled desires to express to the House of Commons and the people of Canada its profound sympathy and emotion at the destruction of their Parliament Buildings, and the deplorable loss of life caused thereby.

PRIVATE BILL INTRODUCED.

Bill No. 41, for the relief of Lena Pearl Potter.—Mr. Wallace.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

RETURNED SOLDIERS IN CIVIL SERVICE.

*Mr. LEMIEUX:

How many returned soldiers have been given employment in the various branches of the Civil Service during the last fiscal year?

Mr. BLONDIN: Finance Department, 1; Interior Department, 1; Justice Department, 1; Labour Department, 1; Marine Department, 1; Militia and Defence Department, 260; Railways and Canals Department, 14.

TRANSCONTINENTAL RAILWAY GRAIN SHIPMENTS.

Mr. BUCHANAN:

1. How many cars of wheat have been shipped on the 6 cents per bushel rate on the Transcontinental railway, Armstrong to Montreal?
2. How many cars of wheat have been shipped at this rate, Armstrong to Quebec?
3. What is the rate on wheat from Armstrong to St. John, Armstrong to Halifax, and Armstrong to Portland, Me.?
4. What are the rates on wheat for domestic consumption from Armstrong to Montreal and Quebec?

Mr. REID:

1. Twenty cars.
2. Eighty cars.
3. Armstrong to St. John, for export, 14·22 cents per bushel; Armstrong to Halifax, for export, 14·22 cents per bushel; Armstrong to Portland, for export, 14·22 cents per bushel.
4. Armstrong to Montreal, for domestic consumption 12 cents per bushel; to Quebec, 15 cents per bushel.

CONSOLIDATION OF RAILWAY ACT.

Mr. PAPINEAU:

1. What has been the total cost of the consolidation of the Railway Act?
2. To whom was such amount paid?

[Sir Thomas White.]

Mr. REID:

1. The work of consolidating the Railway Act is in progress. Besides the work usually incidental to consolidation, thorough inquiries and investigations have been made, involving conferences with the Railway Commission and other bodies, into the working out of the different sections of the Act, with particular regard to those in respect of which amendments have been offered in recent years. $7,000 has been paid on account of this work.
2. To Mr. Samuel Price, K.C

SHELBURNE, N.S., IMPORTS.

Mr. KYTE:

1. What amount of dutiable goods was entered at the port of Shelburne, N.S., during the month of December, 1915, of the following classes of imports, respectively, and the value of each; rope, pianos and organs; shipping, sail and steam; and rough or surfaced lumber?
2. How much duty was paid on each of the above classes of imports at the said port of Shelburne?

Mr. REID: The answer to this inquiry would disclose the value of an individual importation. It is not usual to give information as to the value of individual importations entered at the custom house.

DIGBY GAP SUBMARINE BELL.

Mr. JAMESON:

1. Was a submarine bell established at or near Digby Gap?
2. If so, when was it established and upon whose authority?
3. From whom was the application for the establishment of the bell received?
4. What was the cost of such bell?
5. What vessels navigating those waters carry apparatus for detecting the presence of a submarine bell?
6. By what steamship companies are any such vessels operated?

Mr. HAZEN:

1. Yes.
2. Established January 7, 1915, by authority of Governor General in Council.
3. Mr. Andrew A. Allen and Mr. F. L. Wanklyn.
4. $2,154.85.
5. When installation of bell was approved the SS. St. George, operated by the Dominion Atlantic railway, equipped with receiving apparatus, was plying on the route between St. John and Digby. The SS. St. George was subsequently withdrawn from the route, and there being no other vessel fitted with receiving apparatus regularly plying on the route, instructions have been issued, on the recommendation of the Lighthouse Board, that the bell be withdrawn.
6. See answer to No. 5.

MUNITIONS WAGE BOARD.

Mr. VERVILLE:

1. Has the Government been solicited by any one to establish a wage board for munitions? If so, by whom?

2. Has the Government made any demand to the Imperial authorities or to the Munition Board in that respect? If so, to whom?

3. Has the Government received any communication from the Imperial authorities or from the Munition Board respecting a fair wage clause on contracts for munitions? If so, of what nature, and from whom?

4. Has the Government attached a fair wage clause on all contracts to which our Federal authorities are responsible? If not, why not?

Sir ROBERT BORDEN:

1. A discussion as to the establishment of a fair wages board or boards has taken place with the representatives of the labour organizations. The discussion also had reference to the application of the Industrial Disputes Act in such cases.

2. The subject has been discussed with the chairman of the Imperial Munitions Board.

3. Confidential communications on the subject have taken place, and the Government has made its views known to the Imperial authorities in the following terms:

A fair wages clause is inserted by the Government of Canada for all contracts for supplies and munitions of war which are ordered by the Canadian Government for the Canadian Military forces. There is therefore no reason whatever from the standpoint of the Canadian Government why the contracts placed by the British Government in Canada should not contain a fair wages clause. In adopting that course the British Government would be directly in line with the course which has been pursued by the Canadian Government in its own contracts. The representatives of the Labour Organizations have been informed that the Government of Canada has no control whatever over the form or nature of such contracts, but that their suggestions would be recommended to the consideration of the British Government.

4. Yes. Except in a few cases in the early weeks of the war, when telegraphic orders were given and no formal contracts were drawn up.

POPULATION OF CANADA.

Mr. ETHIER:

1. What is the total population of the Dominion?

2. What is the male population of the Dominion?

3. What is the male population from 10 to 19 years inclusive?

4. What is the male population from 20 to 29 years inclusive?

5. What is the male population from 30 to 39 years inclusive?

6. According to the above statistics, what proportion of the male population from 19 years to 40 years of age would remain in the country after the recruiting or enlisting of 500,000 men of that category?

Sir GEORGE FOSTER:

1. 7,206,643.
2. 3,821,995.
3. 706,155.
4. 756,349.
5. 568,214.
6. Sixty-two per cent.

IMMIGRATION AND PRODUCTION.

*Sir WILFRID LAURIER:

Has the Government, in view of the scheme of co-operation in immigration and land settlement by the use of public credit between the Dominion and Provincial Governments, presented to it, at its request, in a Special Report by its Commissioner, Mr. Arthur Hawkes, dated March 18, 1912, held any communication with the Provincial Governments looking to the development of immigration and land settlement on systematic and scientific lines? If so, with what results?

Mr. ROCHE: The development of immigration and land settlement has been a subject of formal communication between the Dominion and Provincial Governments since March 18, 1912, and numerous informal discussions between officials of the various Governments upon this subject have taken place since that date, and the matter is now being carefully investigated by the Economic and Development Commission. In addition, at a conference of immigration agents held in the city of Chicago, at which the Governments of the three prairie provinces were represented, the subject of immigration was thoroughly discussed, and steps taken to prosecute a vigorous propaganda in the United States, with a view to securing a larger immigration from that country.

*Sir WILFRID LAURIER:

Has the Government taken cognizance of a Resolution unanimously passed by the Legislature of Saskatchewan in June, 1915, proposing closer co-operation between Provincial and Dominion Governments in regard to immigration and greater production from the soil? If so, what action has been taken to give effect to such proposals?

Mr. ROCHE: The Dominion Government has appointed the Economic and Development Commission to consider amongst other questions the possibility of "increasing the acreage under cultivation" and of "inducing the settlement of an agricultural population upon the fertile uncultivated lands in Western and Eastern Canada." The Commission will inquire into "the means by which and the lines upon which the Federal Government, whether upon its own

sole initiative or in co-operation with Provincial Governments can best carry out an effective scheme of colonization."

As an evidence of our continued activity in the United States, and of our desire to act in co-operation with the western provinces, the following letter from the Premier of Saskatchewan is presented:

Regina, 17th February, 1916.

Dear Sir Robert:

Mr. Calder has shown me your letter to him of 22nd January acknowledging receipt of the joint resolution of the prairie province governments upon immigration work in the United States. All that you say and the suggestions and requests which you offer in relation to the co-ordination of Dominion and Provincial activities are very satisfactory indeed. In the meantime I attended, on Dr. Roche's invitation, the conference of federal agents held at Chicago, January 28, taking down with me Mr. Auld, our Acting Deputy Minister of Agriculture. I was highly satisfied with the spirit and proceedings of the Conference. From it I came away convinced that any impression existing that the United States agents had been relaxing their efforts was an entirely mistaken impression. For the recent disappointing results the agents are not to blame; they have continued working zealously in face of extremely discouraging conditions. In some respects their hands may be considerably strengthened by arrangements which will ensure to them more specific, regular and prompt information of affairs in Western Canada, and in this matter Mr. Auld's Department can assist and will assist in future in every possible way. You are of course aware that the Saskatchewan Government maintains that as long as your Government controls our public lands and other natural resources the implied guaranty given in 1905 should be respected, viz; that your Government should be responsible for all outlays for colonization in behalf of Saskatchewan. We have never entered upon immigration work, and will not do so until the control of public resources is transferred to us, but to the extent to which any machinery we have in existence can be used in helping your Government's efforts, we are earnestly desirous of assisting.

Believe me,
Very sincerely yours,
WALTER SCOTT.

*Sir WILFRID LAURIER:

Has the Government received any communications from the Toronto Board of Trade or other bodies, urging the necessity for an improved immigration policy? If so, what are they, and what steps have been taken to give effect to them?

Mr. ROCHE: Numerous representations for a changed immigration policy have from time to time been made directly and indirectly to the Dominion Government. The suggestions have varied from the advocacy of " a wide open door " to the most restricted form of " restricted immigration." It has not been considered advisable to depart from the present policy of encouraging the immigration of suitable agriculturists and, when necessary, desirable female domestic servants, and the withholding of any encouragement to come to Canada of those desiring to follow other occupations.

Prior to the outbreak of war immigration to Canada was most satisfactory, as is evidenced by the following figures:

1910-11	311,084
1911-12	354,237
1912-13	402,432
1913-14	384,878

NEW ZEALAND WHEAT PURCHASES.

Mr. CARVELL:

1. Has the Government of Canada, since the outbreak of the war, purchased any quantity, and if so, what amount, of wheat on behalf of the Government of New Zealand?
2. If so purchased, was it done on the request of the said New Zealand Government?
3. Where was the said wheat stored, and is any portion of the said wheat now in warehouse in Canada? If so, where?
4. What amount thereof has been disposed of, and when?

Sir GEORGE FOSTER:

1. Yes. 1,406,732.30 bushels.
2. Yes
3. After its purchase it was stored in various elevators in Canada until shipped to New Zealand, or until otherwise disposed of. None of this wheat is now in warehouse in Canada.
4. 504,223.40 bushels have been shipped to New Zealand, and the balance, 902,508.50 bushels, were sold at New Zealand's request on the 10th January last.

WHEAT COMMANDEERED BY GOVERNMENT.

Mr. CARVELL:

1. What is the total amount of wheat commandeered by the Government of Canada since the 1st day of August last?
2. What amount of said wheat has been shipped from the elevators, and the dates of said shipment?

Sir GEORGE FOSTER:

1. 13,621,822.50 bushels.
2. It is impossible to answer this question in its present form. In moving the wheat to the seaboard the same lot may have to pass through one, two, or more elevators, and would show as having been shipped from elevators one, two, or more times.

PURCHASE OF DESKS.

Mr. CARVELL:

1. What is the value of desks purchased by the Government since the fire in the Parliament buildings?

2. From what persons or firms were the said desks purchased?

Mr. ROGERS:

1. $6,333.67, of which $5,331.82 have been delivered and are in use in the Museum building.

2. Bryson-Graham, Limited; Capital Office Supply Company; T. W. Currie & Company; T. Eaton Company; Larose, Hull, Quebec; S. A. Luke; Oliver & Son; Office Specialty Company; Preston Furniture Company, Preston Ontario; Stewart & Company; D. Storey; Steel Equipment Company, Pembroke, Ontario; Ottawa Typewriter Company, Ottawa.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Macdonald.—For a copy of all correspondence, telegrams, reports and documents of all kinds relating to the visits of a fair wage officer to New Glasgow, N.S., in connection with the schedule of wages of men employed in works making shells at that place.

Mr. Carvell.—For a copy of all papers, letters, telegrams, Orders in Council and payments of money with reference to the quartering of troops at Amherst, province of Nova Scotia, respectively, in the financial year ending March 31, 1915, and during the present financial year up to date.

Mr. Turriff.—For a copy of all letters, correspondence and telegrams between the Speaker, the Clerk of the House of Commons, the Civil Service Commission and the Minister of Finance in regard to the proposed appointment of Mr. H. Crossley Sherwood as assistant Clerk of Routine and Records, from October 1, 1914, down to the present date.

Sir Wilfrid Laurier.—For a copy of all correspondence between the Prime Minister and Mr. Arthur Hawkes, during the years 1912 and 1913, relating to the Special Report on Immigration, published by the Hon. Robert Rogers in May, 1912, and particularly referring to the necessity for greater production from the soil, following the application of the Canadian Northern railway for financial assistance, and the speech of the Minister of Finance, in concluding the debate on the Budget, in April and May, 1913.

Mr. Graham.—For a copy of all correspondence, letters, telegrams, Orders in Council, etc., relating to the transfer by the Government of Ontario to the Government of Canada, of the rights held by the former in the lakes, dams, etc., contiguous to or forming a part of the Trent Valley Waterways System.

WAR PURCHASING COMMISSION CONTRACTS.

On the notice of motion:

Mr. Carvell.—For a return showing the dates, quantities and values of all contracts made by the War Purchasing Commission so called, from its formation down to the present date.

Sir ROBERT BORDEN: Perhaps the hon. gentleman may not fully appreciate the amount of labour and the cost involved in the preparation of such a return. I am informed that it would take the entire staff of the department three months and that the cost would be very great. Perhaps, therefore, before proceeding with this motion, the hon. gentleman might confer with the Chairman of the War Purchasing Commission. As far as the records of that commission are concerned, they are open to any member of Parliament who desires to inspect them or to look at the papers in relation to any contract. The hon. gentleman might, therefore, let his motion stand.

Mr. CARVELL: If the House could be furnished with information of this kind, it would be very valuable. My right hon. friend can understand the impossibility of a member of Parliament going to the office of the commission and getting any real information. However, I am quite willing that the motion shall stand for the present.

Notice of motion stands.

THE FLAX INDUSTRY.

Mr. S. FRANK GLASS (East Middlesex) moved:

That, in the opinion of this House, taking into consideration the stability of the flax industry and the market value of the product, more attention might be given to promoting its cultivation in Canada; that the flax and linen industries should, both as to culture and manufacture, receive that aid and consideration from the Government, which would enable it to assume the importance the natural resources of our country assure it. And to this end, serious encouragement should be given to farmers by such means as the Government, after full investigation, deem best to increase the production of flax throughout the Dominion.

He said: Mr. Speaker, I desire at the outset to say that I have been prompted to introduce this resolution as a result of observations in the districts surrounding that from which I come, and of representations made to me and to other hon. members, all tending to show that, owing to the very unusual conditions which prevail at the present time by reason of the destruction of the flax industry in the countries of Europe who are at war, it is peculiarly desirable that the Government of Canada should take advantage of the opportunity now presented to put the flax industry of this country on a stable foundation. When I placed the notice of motion on the Order Paper I was not aware that my hon. friend from East Lambton (Mr. Armstrong) had already taken the matter up. I desire just here to say that my hon. friend

from East Lambton has, during the recess, been very active in promoting the interests of the flax-growers in that part of western Ontario where the production of flax for fibre has reached its highest development. Before proceeding with the discussion of this subject I would like to present to the House, and record in Hansard, the views of flax-growers of western Ontario, who have, on their own initiative and in their own interest, stimulated as they have been by the unusual conditions, taken steps to promote the development of this industry. I believe that Mr Howard Fraleigh, of the village of Forest, Lambton county, is generally looked upon as one of the most capable and best informed men on this subject to be found within the confines of our country. He has been a successful man and he has given a great deal of time to research, study, and experiment in connection with all branches of the question of fibre production from flax. He is president of the association in the province of Ontario; and, in giving his ideas as to how the Government may best co-operate in promoting an increased production of flax, he suggests the following:

1. Closer co-operation between the departments of the Government and flax men. For example, the experimental stations can scarcely do the flax growers much good unless they investigate wherein we need assistance. Again, it does not by any means follow that, because poor samples of flax may be grown on the Experimental Farm at Ottawa, the whole Dominion is unsuitable for the crop. Some such propaganda as the teaching of farmers what are the peculiar needs of flax in the way of cultivation would be advisable.

2. The establishment of a flax bureau or commission, composed of men who understand flax and have its interests at heart. This bureau to have charge of the activities looking to improved methods of cultivation and manufacture, the education of the public in the true facts about flax, and the introduction of standards of grading both seed and fibre for export.

3. Encouragement by the Department of Commerce in building up a greater linen industry at home.

4. Some sort of bonus to growers of flax for fibre purposes, same to take effect after the war prices decline, and remain in force until the industry becomes re-established again.

5. Government assistance to manufacturers in securing flax workers by encouraging immigration of Irish and Belgian flax-workers; or courses of instruction to young Canadians, such as are carried on in Ireland. Such courses could be given at the big agricultural colleges.

6. Government encouragement to farmers to grow more flax, not only for their own profit, but to help nearby towns, and the Dominion at large.

7. A series of government experiments, in collaboration with the growers, to determine whether water-retting can be successfully carried on in Canada on a commercial scale.

[Mr. Glass.]

8. Immediate and temporary assistance to our organization, as by the payment of the salary of our secretary, who is devoting his time to this work. Such assistance is extended to other organizations of an agricultural nature.

In connection with this subject, I have naturally found it necessary to make some investigations and to study the question from different standpoints, and I am indebted for a good deal of the information I have been able to procure to the records of the Department of Agriculture of our own country as well as to the United States and to various states of the Union. In view of the very great importance of the subject at this particular time, I have prepared the observations which I have to make, and I would ask the indulgence of the House while I give them such information as I have been able to procure, hoping that it will impress upon the members of the House the need of this industry for assistance.

Considering the various difficulties that flax culture has undergone in this country through the experience of many years, it may well be considered one of the curiosities of agriculture. There is nothing strange or unusual in the methods of cultivating flax as compared with cereals generally; nevertheless, there are features connected with its history that make the flax crop unique among agricultural products. The cultivation of flax and the manufacture of its fibre, date back to a very remote period. The great value of the plant has been known and appreciated for some thousands of years. The fact that Egyptian mummies were wrapped in linen proves that the use of flax fibre is very ancient. It is said that it was a well established industry in Egypt at the dawn of the Christian era. Some three thousand years ago the Phœnicians devoted much attention to the cultivation of the plant, and subsequently the Greeks and Romans made the working of flax fibre a part of the household duties.

The flax plant is the source of two extremely valuable economic products, the one a fibre derived from the straw and noted from time immemorial the world over for its strength, beauty, fineness, and length of staple; the other, a seed rich in oil of such superior drying qualities as render it an indispensable ingredient in paint and varnish, and in the manufacture of linoleum, oilcloth, printer's ink, patent leather and other products. The full value, however, of both seed and straw from the one crop does not seem to have been realized

on a large scale in practical agriculture. The fibre, next to cotton, is the most valuable and universally employed textile in the whole range of vegetable fibres, and the plant can be grown in almost every part of the world where the climate is temperate. It has been cultivated to a considerable extent in Great Britain, Ireland, Sweden, Denmark, Holland, Belgium, France, Russia, Germany, Austria, Spain, and Portugal, and likewise in many portions of North and South America. Recent investigations and statistics show that of the world's total production in the year 1911, South America produced 33 per cent, Russia 22 per cent, India 18 per cent, United States 18 per cent, Canada 5 per cent, and other countries 4 per cent. So that, if the ratio of production for the last year prior to the war, or even say for the year 1914, were the same as in 1910, it is evident, in view of the fact that the countries engaged in the world-wide war were producers of 49 per cent of the world's crop in 1914, that there must necessarily have been an enormous shrinkage of the world's supply of flax during the year 1915, and that this shrinkage will be likely much greater during the coming year and for some years to come.

It would seem that the time for active effort to increase production in Canada has arrived. In the year 1908 the Government of this country, through the Department of Agriculture, made some investigations relating to the industry in Canada, which resulted in the publication of a pamphlet by the department, giving some useful information. But it appears that this was not in any way followed up, or the research or experiments continued with a view of giving any permanent assistance to the industry, and as a result valuable time has been lost. It is a matter that may be questioned, whether the present position of the industry has been in any way improved. Stimulated by the demand for the products of flax which can no longer be procured in countries that were chiefly the source of supply prior to the war, the Government of the United States have inaugurated a live propaganda, with a view to encouraging and developing flax culture in that country. It would seem that we in Canada would be neglecting our duty to ourselves, to the Empire and to the world, if at a time like this we did not awaken to the opportunities that now knock at our doors by stimulating by every means within our power the development of flax culture and the production of fibre, and applying the fullest resources at our command to the study and means of making the best use of the various by-products which are incidental to the flax industry generally. As to how this may best be accomplished, there will be necessarily a difference of opinion, but that the whole subject is one that may well be considered by the Government through its Department of Agriculture, who should be able to reconcile conflicting opinions and determine, in so far as the cultivation of the plant is concerned, just what is best to be done, I do not think any one in this House will doubt. But aside from this, there is a phase of the subject to which the Department of Trade and Commerce might well apply its energies. The Department of Agriculture can direct its efforts to the many problems necessary to the cultivation of the plant, the selection of seed, and possibly to the development of special seed suitable to the climatic and other conditions of this country. The department has rendered valuable aid in the matter of developing other cereals or seeds peculiarly suitable for our soil and climate. Though it is recognized that the best flax seed for sowing is imported from Holland, it may be that under experiments and with experience, our own Government may develop seed that will give better results in our country. It should be our aim to produce seed for the farmer that will give the best results, and that will assure the production of a fibre equal to the best that has been produced in those countries of Europe where for so many years the linen industries have not only given much employment to labour, but have also added much to their countries' productive wealth.

There are doubtless many prejudices in connection with the growth of flax. Farmers have an idea that its growth exhausts the soil, but the experiments carried on by the Department of Agriculture during the years 1906 to 1908, the results of which appear in Bulletin No. 59, show that this view is unwarranted. This bulletin asks: "Is flax a specially exhausting crop?" It answers this question as follows:

> This question is usually answered in the affirmative, but this opinion does not appear to be warranted by the chemical analyses which have been made of this crop, showing the principal elements of fertility taken from the

soil during the period of its growth. The results which have been obtained by chemical examination have furnished the following figures which represent approximately the plant food removed from the soil by flax, wheat and oats.

It is not necessary that I should give the figures, as the bulletin may be obtained by any one who makes application to the Department of Agriculture. Suffice to say that the summing up of the result is given thus:

It will be seen that the grain, in the case of the wheat crop, takes up a little more nitrogen and somewhat less of phosproric acid and potash than is taken by the flax seed; while the oat crop takes for the grain a larger proportion of nitrogen, nearly one-third less of phosphoric acid and about one-eighth less of potash. The difference, however, in exhaustive effect of these several crops on a rich soil would scarcely be perceptible, and would not justify the opinion that flax is a very exhausting crop.

Notwithstanding these experiments made some eight years ago, it would seem desirable that the experimental farms should carry on investigations and furnish fullest information by bulletins to the farmers as to this matter. Doubtless with many farmers the prejudice is deeply rooted, and nothing but scientific experiments, which the Government can best carry out, and experience in results, will ultimately remove the objections which many farmers have to the growth of flax.

The United States have devoted a good deal of attention to investigations along the line of finding economic industrial use for the straw of flax, which is more essentially grown for the production of seed than of fibre, especially in those parts of the Western States, like our own Northwest, where the straw, instead of being returned to the soil, is burned. The result has shown that this straw as a by-product, may be utilized in many ways. From the paper-makers' standpoint, the flax crop represents a raw material of immense latent value, as it is likewise a source of great latent value to the farmer. In the United States, as in Canada, the seed flax of the West is different in type from that cultivated for fibre production, and because of this difference and of the methods of cultivating and handling the crop, the straw cannot be used to make a good spinning fibre. The straw resulting from the harvesting and threshing of this crop is usually burned, not because it has no intrinsic value, but because adequate industrial use has not been established to absorb it. A bulletin published by the United States Department of Agriculture dated January 7, last, reporting recent tests made on the utilization of seed flax straw in the paper and fibre board industry, states that successful commercial tests have been completed wherein domestic flax straw and tow were used in place of imported flax waste in the manufacture of fibre-board. The tests made were pronounced satisfactory and the product sold to the trade at the regular price for such boards. From an economic point, therefore, at a time when we are urged to conserve all the resources of our country, it would seem inconsistent that this country should waste its millions of tons of flax straw. Might it not be a subject worthy of the closest investigation of the Government to encourage the commercial use of this by-product?

Our acreage in flax in the year 1912 was equal to that of the United States in 1914. James L. Merrill, paper-plant chemist in the paper plant investigations of the United States Department of Agriculture referring to the waste of the straw of seed flax in that year, said that (1) its paper-producing possibilities would be equal to the annual production of wrapping paper, and more than double the annual production of writing paper in the United States; (2) its sale would represent, in added revenue to the farmers, about $5,000,000 annually; (3) it would exert a very strong tendency towards maintaining the flax crop in our agricultural system; (4) it would probably result in the establishment of paper manufacturing industries where there are now none; (5) it would aid in making our paper industry more independent of foreign paper-making raw materials; and (6) it would produce a keener realization of the latent value of some of our enormous crop wastes. These investigations, which have cost much in time and money, are surely worth the closest consideration of our Government, and they are in every sense as applicable to the conditions in Canada as to those in the United States.

From every viewpoint the cultivation of flax would seem to mean, under proper conditions, more new-found wealth than the production of any other single plant. If it be possible—and some authorities agree that it is—to cultivate flax that will produce seed of best quality, and at the same time straw for fibre of high standard, much advancement will be made and the value of the crop greatly increased. Whether this be so or not, the prevailing opinion and custom in this country is to grow flax separately either for seed or for fibre. The

Northwest has produced flax primarily for seed, and so far little, if any, use has been made of the straw. In Ontario flax has been grown more for fibre, the proportion grown for that purpose last year being about four-fifths of the whole. The total value of the production of seed in Canada between the years 1910 and 1915, as per census of January, 1916, amounts to $87,933,000, so that the importance of flax growing to the agricultural industry is not inconsiderable.

The need of Government co-operation as a means to produce not only more, but better, flax has been demonstrated beyond any doubt. The Canadian Textile Journal, in its issue of September last, has an article contributed by Mr. Jas. A. McCracken, secretary of the Ontario Flax Growers' Association, who is probably in a position to speak with knowledge, in which he shows that in many respects the industry is groping in the dark, and needs the united co-operation of the Government in the propagation and production of a Canadian flax seed adapted to the peculiar needs of our climate and soils. In this article he says, among other things:

> After close observation of the stands in various fields of western Ontario and elsewhere for twenty years, I am a strong advocate of more particular grading and soil cultivation. Every fibre field I have ever seen produced a more or less uneven stand, more noticeably so than fields of wheat, oats, or barley. This is the result of non-germinating seed, and the early death of many young plants from weak vitality. We certainly know too little about imported flax seed. We renew every two or three years. It comes to us from native conditions considerably different from ours. Most of it produces flax to be sure, but there are many failures of crop that seem attributable to nothing but the partial non-adaptability of foreign varieties to the soil and climatic conditions of Canada. There should be seed plots in this country where the talent and money required for seed breeding and development would be available. Our agricultural colleges are constantly evolving and creating new and excellent varieties of oats, wheat, barley and rye, but flax is practically neglected. No one man, especially now after a decade of depression, can finance this work successfully. It is a matter for combined effort and Government assistance. H. L. Bolry, botanist of the North Dakota Agricultural College, has shown what can be done in this direction by developing well-resistant seed and discovering that a spraying of formaldehyde makes the seed immune from exterior ravages by the spores of wilt and canker fungi. These are not vital considerations where fibre flax is grown on a studied rotation as in Ontario, but they show us what can be done by patient investigation and study.

The United States has a fibre bureau, which has been in operation for twenty-five years, working on flax, jute, hemp, and other fibre-bearing plants adaptable to their climate. The Irish have special government flax bodies for the promotion of flax study, but Canada seems to be still in the dark in this respect, though it has been established beyond peradventure that flax for fibre can be produced in western Ontario of as good a quality as anywhere else on the globe.

Further, the Government having undertaken the task of developing a suitable Canadian seed, may well further prosecute their investigations along the line of applied science and seek to determine the best methods to be employed in the production of the fibre. Opinions as regards this likewise vary. In many places, and generally throughout Ontario, it is still held that the old method of pulling the flax by hand is best. Against this the scarcity of labour has been a deterrent factor in the matter of greater production. If experience and science demonstrate that those who hold to the view that pulling is the best method are right in their contention, then the ingenuity of man, and the aid of the Government, should be directed to the invention of machinery that would do this work with economy of man labour, and to the cheapening of flax production. I understand that some advancement has already been made along these lines by the invention of Chas. H. Vessot, of Ottawa, and A. G. Mathers, who have produced a flax-pulling machine that in some measure meets the requirements and results in diminishing the cost of pulling by fifty per cent. Testimonials from prominent flax-growers in western Ontario bear testimony to the efficiency of the machine, and show that their experience has been that its use reduces the cost of pulling by from sixty to seventy-five per cent. By some it is claimed that this machine, while performing most effective and satisfactory work under certain conditions, is not yet so perfected that it will meet all conditions. It would therefore seem that Canadians have made considerable progress towards producing that which the ages heretofore have not yet produced, a machine for pulling flax. Might not the Government lend its aid to the further improvement and perfecting of this device? The Government could also materially assist in developing a process for the subsequent treatment of flax, which, while avoiding the difficulty of procuring cheap labour, would achieve the same results as hand pulling. If such a system were worked out it should be possible to develop a large and important flax indus-

try which would take rank with the other great stable industries of Canada.

The proprietors of a mill at St. Catharines, Ontario, have for some years devoted much time and investigation to this subject, and in their report on the subject the management say:

For several years past many machines have been devised and constructed and various improvements introduced having for their object the improvement of agricultural conditions—the sowing, pulling and harvesting of the flax. These are all more or less successful and in time will be made entirely so, but the subsequent treatment of the straw and its conversion into fibre is the branch of the industry to which we have chiefly directed our efforts.

By the process which we have developed the hand pulling will be largely done away with, and the subsequent spreading in the field entirely eliminated. In future the flax will be brought direct from the field, threshed by specially designed threshing machines, and immediately baled by powerful hydraulic process into bales each containing about 700 pounds of flax.

These bales are then carried by electric carriers or hoists and placed in large concrete tanks of a capacity of about ten tons of flax each. Here the flax is treated by means of bacteria cultures in water held constantly at the required temperature, by which means the flax is thoroughly "retted" in from two to three days.

From the tanks the wet flax is lifted by electric hoists and passed immediately to large specially constructed dryers, where in the short space of three hours the moisture is removed, leaving the flax thoroughly dry, and ready for the next operation.

From the dryer the bales are carried by overhead conveyors to the machinery room, where it is mechanically fed into large breakers and the wood broken and crushed into fine particles, the fibre being carried automatically into large shakers or beaters, where it is thoroughly cleaned and the resultant fibre deposited into large bins ready for baling and shipment to the spinning mill.

From the above it will be seen that no experienced or expert labour is required. The process is short and inexpensive, is positive in its results, and will produce a uniform grade of fibre. It can be done in any quantity desired. It is entirely free from weather conditions and can be carried on the whole year round and is not limited to a few weeks in the autumn as in the present system. Our mill is designed to handle 20 tons of straw per day, but additional mills can be erected and machinery installed capable of treating all the flax that can be grown in the entire country and as rapidly as the same can be produced by the farmers.

The object kept in view in designing and installing this plant for handling the flax has been simplicity and economy, and these two words are written large over the entire process; from the harvesting of the flax right through to the baling and shipment of the fibre to the spinning mill, everything has been designed to handle the flax by the most economical labour-saving methods so as to assure the farmer who grows the flax steady market for his product and at profitable prices, and also to insure our company in the operation of the plant a regular manufacturer's profit in producing the fibre for the trade.

It is now only a question of the intelligent co-operation of the Government with the farmers and flax producers to secure a sufficient quantity of flax—the raw material of the linen trade—in order to make possible the building up of a large and prosperous flax industry in the Dominion of Canada. It is simply a question of the production of the raw material and the investment of sufficient capital to manufacture the same into fibres, yarns and linens.

This firm, I understand, has been using this method with very satisfactory results, and it would seem that, as a result of their experiments, a new era in the flax industry is about to dawn.

It would seem, therefore, that there is sufficient divergence of expert opinion to justify the Department of Agriculture in taking immediate steps to make a thorough investigation of the whole subject, and lending to agriculture and industry the aid of their practically limitless resources to solve the vexed problems that for years have been the stumbling block to success. The department might also take up the matter of utilization of the straw from flax grown, particularly for seed, by which as a by-product at the present time is a total waste, but which, under scientific use in applied industry, might become of economic value impossible now to conceive. Then there is the by-product of the flax, or I might say of the linseed mills,— the oil cake. This commodity, which is produced in considerable quantities as a necessity in the production of linseed oil, is, I understand, a most valuable stock food, and yet only a limited proportion of what we produce is consumed by our stockmen. Does it not seem incongruous that, in a country like ours, with its millions of acres of grazing land, a country which beyond any other is peculiarly adapted to stock raising, this valuable by-product, linseed meal and oil cake, should be sent to Belgium, France, England, and other European countries to fatten and develop their live stock, and that our farmers, possibly for need of knowledge of its value as a feed to stock, do not avail themselves of its use. I say the Government can do much along the lines of conducting an educative campaign to correct these conditions, and to encourage the consumption, as far as may be necessary, amongst our stock men in Canada.

4 p.m.

The Department of Agriculture, having applied itself to a solution of these problems, might not the industry be further encouraged by the Department of Trade and Commerce? Having produced our flax fibre, encouragement should be given to the

spinning of yarns in Canada, and this should be further followed by giving encouragement to the linen mills; otherwise, our country would receive only a small proportion of the productive value of the product. Fibre is the raw material of the spinning mill for years, and this yarn again is the raw material of the linen mill used in the manufacture of linens. It will appear that flax, developed to the limit of its possibilities, will produce a greater amount of increased wealth than any other plant grown; and therefore, in the words of my resolution, more attention should be given to promoting its cultivation in Canada. Both as to culture and manufacture, the industry should receive that aid and consideration from the Government which would enable it to assume the importance the natural resources of our country assure. In countries where its development has reached the highest stage, governments have appreciated its value and the need of government aid; and even in Great Britain, where bonuses and protection in the way of import duties are the direct antithesis of her economic policy, the need for granting bounties to encourage the production of flax in Ireland, was recognized as far back as 1911, and in a single year as much as $100,000 has been paid to producers in bonuses. Even here in Canada we have applied the principle of bounties to certain comodities. I find by the Trade and Commerce returns for the year ending March 31, 1914, that we paid in bounties a total sum of $143,652.47, as follows:

Lead	$ 8,179 45
Manila fibre, used in the manufacture of binder twine and cordage	17,959 73
Crude petroleum	117,513 29
Total	$143,652 47

The bounties for twine making, amounting to $17,959.73, were distributed among only five producers—the Canadian Cordage and Mfg. Co., Ltd., Peterborough, Ont.; the Brantford Cordage Co., Ltd., Brantford, Ont.; the Consumers Cordage Co., Ltd., Montreal, Que., and Dartmouth, N.S.; the Farmers' Binder Twine Co., Ltd., Brantford, Ont.; the Plymouth Cordage Co., Ltd., Welland, Ont. I say, therefore, it would not be inconsistent with the policy we have adopted towards other industries if we, like other countries, recognized the great importance to economic productiveness in giving to flax cultivation and flax fibre production most liberal aid, even if it implied liberal bounties to the farmers. If flax pulled is determined to be the best method of handling the crop, it would not be unreasonable to ask the Government to give a bounty on fibre production equal to at least half of the cost of the labour of pulling, which is said to be $8 per acre.

In France this policy has been and is now pursued. There they give a bounty of $5 per acre in cases where flax is pulled and utilized for its fibre. This policy has been fully justified, it would appear, from the resulting mammoth textile industries widely distributed throughout the northern half of the country.

Ireland takes a different method, but an effective one, in stimulating flax culture. The Department of Agriculture and Technical Instruction for Ireland has charge of flax education. A thorough course in flax culture and manufacture is given to students, and the young graduates are sent out over the country to spread the gospel of improved methods. Belgium, which for years back has been the home of the highest grades of flax products, is now devastated, and it might be possible, if the Government directed efforts to that end, to get a number of expert flax men from that country to come over to Canada and lend their aid and experience to communities in this country. A few of these men have already reached us, and can be found around districts in western Ontario such as Forest, Alvinston and Mitchell, and some have been engaged in flax mills in these districts. Around Wallaceburg there is a large colony of Belgians and Dutch. The fact that sugar beets and flax require attention at different periods of the growing season, together with the fact that both crops like best the same kind of soil, would encourage the hope that these industries might be developed side by side.

The possibilities for flax culture in this country are so great, and its economic value so immense, that I feel that our Government would fail in the discharge of their duty to agriculture and to productive wealth if they did not without further delay arouse themselves to the great need that confronts them with reference to this subject. The United States Year Book for 1913 shows that in that year Canada had under flax cultivation 1,553,000 acres of flax, and produced 17,539,000 bushels of seed, and the United States on an acreage of 2,291,000 acres produced only 17,853,000 bushels. The adaptability of our climate and soil would seem to far outrival that of the country to the south.

This subject is so important, Mr. Speaker, and the possibilities so immense, that the

discussion of it might be continued at some length. I feel that I have not only unduly trespassed on the patience of the House in presenting the facts that I have collected, though I must confess there is doubtless much that might be said concerning it that I have not said. In closing, I would just add that the grading of flax fibre, the sorting of it, and the establishing of standards would seem to be matters of importance, and should receive the consideration of the Government, as also co-operation in the marketing of the product.

The Secretary of the Canadian Flax Growers' Association has sent me a communication in which he outlines certain ideas and suggestions concerning a flax culture bureau. I do not wish to tire the House, but I would like to read this communication and to have it placed on record as an expression of the views of a man who has had experience, and whose judgment is entitled to consideration:

Suggestions for Flax Culture Bureau.

Arguments for its Creation.

Cotton interests have put flax into as much disfavour as possible. Canada can never become great in cotton. She can become great in flax. Flax cultivation has failed to advance and flax manufacture to succeed because the industry has never been boosted by big or influential organizations. Even the manufacturers of flax fibre are not united. Thus the educational propaganda necessary to place such an industry (embracing as it does many processes) on its feet and to overcome both the farmer's and the labourer's prejudice, has been lacking.

A single instance of successful fibre production in Canada justifies government encouragement, and support for the industry. Thousands of instances prove that first-class fibre can be produced in Canada.

The farmer's prejudice against flax is wholly unwarranted, as the experimental stations have proven. Flax, besides, is an enemy to the wire worm; flax entails a vigorous campaign against weeds.

Equipment of Flax Culture Bureau.

(a) A demonstration car to be educational work for at least six months.

(b) Permanent headquarters for the bureau, preferably at some point in the midst of the fibre region or, if advisable to have it in touch with the Department of Agriculture, at Ottawa or Toronto.

Duties of Flax Culture Bureau.

(a) To disabuse the farmers of their unreasonable prejudices against flax.

1. By circulating exact information based on tests, experiments, etc., as to the exhaustiveness of flax on the soil.
2. By encouraging flax growers' associations.
3. By creating or encouraging a mafiazine devoted wholly to flax, for seed and fibre.
4. By driving home the lessons learned in Russia, India, etc.

[Mr. Glass.]

(b) "Made in Canada" cry. Have Canadian linen mills established, possibly by association of flax manufacturers. By stimulating a return to linen garments for summer wear.

(c) Standardization of flax as to both seed and fibre; new Canadian strains to be developed; encouragement of means, such as by baling the crops and by lower freight rates on such goods whereby growers remote from mills can profitably market their product in the sheaf.

(d) Encouragement in the estiblishment of paper mills in seed flax centres, such as Saskatchewan, where coarse straw can be profitably utilizer.

(e) A live publicity man in charge of the bureau; an agricultural expert and a mill-man as consulting specialists; office help, etc.

As I said, the industry in the western part of Ontario, where more direct attention has been given to fibre production, has received a stimulus by reason of the greater demands and increased prices resulting from the war, and of course the war has also decreased the production in the belligerent countries. The flax growers in the western part of Ontario, realizing their responsibility to the country, did their utmost to increase production last year; in fact, I doubt whether any other part of Canada made a more pronounced effort in that direction last year than the counties of Huron and Lambton. I know that my hon. friend the member for East Lambton (Mr. Armstrong), who is thoroughly conversant with that part of the country, will agree with me that this is a serious matter, and one which should commend itself to the most favourable consideration of this Government.

Mr. E. W. NESBITT (North Oxford): Mr. Speaker, I had not noticed this resolution on the Order Paper until my hon. friend from East Middlesex (Mr. Glass) moved it in the House this afternoon, or I should have given the matter some thought. I notice that he hopes the Government will give "serious" encouragement. Did he mean to suggest that the Government do not as a rule give "serious" encouragement to the farmers of this country? Well, perhaps the word is appropriate under the circumstances. I wish that my hon. friend, instead of merely giving a resume of the flax industry, had brought down some cut-and-dried proposition that we could have fully discussed. We all know, of course, that the flax industry is a valuable one, and that there is lots of room for improvement in that industry in Canada. A few years ago there was a strong agitation for flax mills in this country for the purpose of making paper out of the flax straw

in the West, which at the present time is burned or thrown away. Nothing, however, came of that agitation because moneyed interests could not be induced to advance money for the project. I quite agree with my hon. friend that it would be an excellent idea for the Government to appoint some one who has a knowledge of the business, and general business ability, to look into the whole question with a view to making recommendations to the Government. I am quite sure that there are men in the Agricultural Department capable of doing this work.

Among other things, my hon. friend read a statement to the effect that oil-cake and flaxseed meal are not much used in this country by the farmers, and the writer of the article wondered why these foodstuffs were not more used by farmers, instead of allowing them to be shipped to foreign countries. On behalf of the farmer let me say that the up-to-date farmer in this country calculates just how much protein and fats there are in every feed he gives. If oil-cake at a certain price will pay him better than oats at a certain price, he will buy oil-cake; or he will buy oil-cake in preference to cottonseed-meal if it pays him better. But if it does not pay him to use oil-cake, then, like the rest of us, he will not buy it. The farmer who is progressive and knows his business has things calculated pretty fine and knows just which food pays him best. Cottonseed-meal with 41 per cent protein pays better at $40 a ton than oilcake at the same price with only 35 per cent protein. I think oilcake in places like Woodstock is sold at $40 a ton laid down, and cottonseed-meal at about $38; but cottonseed-meal contains more protein or butter fat, and the farmers are therefore buying it in preference to oilcake. I can say positively from my own experience that oilcake is a very excellent food, but at the same time if other countries will pay more for it than our farmers, it is only natural that the producers should ship it to the highest market. There is no doubt that the fibre could be made up entirely in this country. Speaking offhand, I would say that the Government might very well look into the question whether linen could be produced in Canada from the fibre, also paper, and at what cost. If it could be shown that the proposition would pay, there would be no trouble in getting people with means to go into the business. The Government might very well investigate this question, and then lay before the House a definite proposition as to the amount of assistance required.

I have nothing more to say except to endorse my hon. friend's resolution so far as it goes, but I do not think it is definite enough. I hope the hon. member for East Lambton (Mr. J. E. Armstrong) will give us something more definite than a general resume of conditions of the flax industry throughout the world.

Mr. J. E. ARMSTRONG (East Lambton): Mr. Speaker, I am glad to know that the hon. member for North Oxford (Mr. Nesbitt) is interested in this question and anxious to support the resolution. I agree with him that, instead of the words "serious encouragement," the words "immediate attention" should be inserted in the resolution, so as to make the resolution stronger. We must, however, congratulate the hon. member for East Middlesex (Mr. Glass) on the large amount of research he has made in gathering together the facts in regard to the flax industry and on the able manner in which he has presented them to the House.

This resolution deserves the attention of every hon. member, because practically every province in Canada is and has been deeply interested for many years in the flax industry, and when one takes into consideration the enormous production of flax seed and flax fibre or straw in Canada one will appreciate the fact that immediate attention should be given to the development of that industry. I regret exceedingly that the serious accident which the Minister of Agriculture met with on the occasion of the fire in the parliament buildings prevents him being present. I cannot too highly congratulate the minister (Mr. Burrell) on what he has accomplished in past years, and while my remarks may appear to be somewhat of a criticism of the lack of interest or initiative shown by the Department of Agriculture in regard to the flax industry, I can assure you, Sir, that, in his administration of all the other branches of agriculture the minister is deserving of every consideration and confidence.

When war was declared, I called the attention of the Minister of Agriculture to the fact that the flax industry, in those countries that have for years been producing flax fibre in great quantities, was very much demoralized. I was able to show that France, Belgium and Germany, three of the large flax fibre producing countries, would for years to come be unable to produce the flax required for the linen mills of Ireland,

the United States and other countries. In the year previous to the war Russia had 3,500,000 acres under flax; but owing to the careless manner in which the flax industry is conducted there, the active men who are interested in the flax industry in Canada need not be afraid of that competition.

Last session, speaking in the House on the second day of March, I called the attention of the Government to the importance of investigating this question, to the need of immediate attention and assistance being given to our flax producing centres, and to the encouragement and education required for the development of the industry. I informed them that fifty years ago in the province of Ontario we had 80 flax fibre mills in operation; that forty years ago we had 65 mills; that twenty years ago we had 30 mills, and that two years ago we had only 9 flax mills. There must be good reasons for these mills going out of business, and I shall place before the Government some of these reasons, and point out the need of immediate attention being given to supplying a remedy. In Quebec, I believe that in Rouville there is one mill still in operation, and if my hon. friend (Mr. Lemieux) will look back at the history of the flax industry in his district, I am sure that he will appreciate my remarks and will support the resolution under discussion.

I have before me a map of the province of Ontario showing the districts in which flax mills were formerly located, the mills that are now in active operation, and those that have gone out of existence. The Department of Agriculture does not appear to give any assistance to this branch of agriculture, nor does it assist by experiments on its experimental farm its development. When one considers that in 1910, there were in the Dominion 476,000 acres under flax, 438,000 acres in Saskatchewan, 24,577 in Manitoba and 14,300 in Alberta, besides what was grown in Ontario and the other eastern provinces, we must realize the importance of some active interest being taken towards the development of this industry by a branch of the Department of Agriculture which should at once be organized for that purpose. We ought to have good seed for planting purposes so that we may increase the quality of the fibre. In 1911, in Western Canada, 1,500,000 tons of flax straw was burned, whereas if that had been turned into flax fibre it would be worth, at the prices current today, $100,000,000, and be it remembered that the farmers of the western provinces received only $11,555,000 for the seed which they produced.

As the hon. member for East Middlesex (Mr. Glass) has said: this is Canada's opportunity. Canada never can produce cotton, but she can become great in the production of flax, and there is no reason why every province of Canada should not assist in the development of this industry. Some years ago the Minister of Agriculture set aside $10,000,000 for the purpose of assisting in the education and development of agriculture throughout the various provinces, and if the Federal Government are determined not to take an active interest in the flax industry, they should urge upon the Provincial Governments the need of expending some of the money that is handed over to them out of this fund towards that end.

The subject is one that should be dealt with entirely by the Dominion Government, it is a Dominion proposition. When you realize that practically all the products of this industry are exported out of the country, it will be seen that the Minister of Trade and Commerce should be deeply interested in the question. For instance, his is the only department from which we can obtain reasonably accurate returns in regard to the development of the industry. From the statistics gathered by that department in 1915 I find the following figures indicative of the progress which is being made by the flax industry throughout the country:

Table showing the Estimated Area, Yield, Quality and Value of Flaxseed in Canada, 1915.

Province.	Area.	Yield per acre.	Total Yield.	Weight per measured bushel.	Average price per bushel.	Total Value.
	acres	bush.	bush.	lb.	$	$
Quebec	600	11·89	7,000	54·16	2.18	15,000
Ontario	5,000	12·38	62,000	50·78	1.72	107,000
Manitoba	34,000	11·00	374,000	55·00	1.54	576,000
Saskatchewan	697,000	13·00	9,061,000	55·89	1.50	13,592,000
Alberta	70,000	16·05	1,124,000	56·37	1.49	1,675,000
Total	806,600	13·18	10,628,000	55·28	1.50	15,965,000

An industry in which the farmers of Canada are interested to the extent of over 800,000 acres is surely worthy of the very best attention that the Department of Agriculture can give to it. I sincerely hope that another year—indeed, another month—will not pass without some definite organization being completed, and some effort being put forward for the development of the flax industry. Consider for a moment the enormous development that is possible in the Northwest. When you realise that nearly 800,000 acres in the western provinces are devoted to the growth of flax, and that they have been able to grow it successfully in such large quantities for many years past and apparently intend to continue it, you must realize the great importance and potenialities of the industry. They have received their returns entirely from the seed. If the fibre from that enormous area could be made use of in the manner in which they make use of it in western Ontario, you can readily appreciate the enormous returns that could be made by the people of the prairie country.

Let me call your attention for a moment to some of the developments that are carried on in western Ontario. This industry might be developed in western Ontario to a much greater extent. The area under flax, grown for fibre, in southern Ontario during 1915 was about 4,000 acres. From this area the production of flax fibre was about 800 tons, which at the average price of approximately 20 cents per pound, or $400 per ton, was of a total value of $320,000. But some of the plants in that part of Ontario were able to receive ten cents a pound more than the price which I have quoted, simply because they were under the control of live, active flax millers who were able to produce the very best quality of fibre and export it to advantage. That meant ten cents a pound, or $200 per ton, to the men who were able to produce that quality of fibre. Then, in addition, 80 tons of tow, at $35 per ton, realized $2,800. The same crop also produced seed at the average rate of nearly 12 bushels per acre, or a total yield of 48,000 bushels, the value of which, at the average rate of $1.60 per bushel, was $76,800. About thirty per cent of the total production of fibre is shipped to Ireland, the rest being exported to the New England states. From a small area of about 4,000 acres there were returns to the people of that district of at least $400,000. Taking that into consideration, it is surely worthy of the attention of the Department of Agriculture.

I said that every province was interested in this proposition. We are not here today asking for a bonus, or a duty, but we are here asking that some definite proposition should be presented as a result of which this industry could be developed along proper lines. Before I sit down I shall try and carry out the wishes of the hon. member for North Oxford (Mr. Nesbitt) by placing before the House a definite proposition. All that we are asking for is education and experiment. Go to the experimental farms in every province of this country and you will find that they are paying little or no attention to experimental work in connection with the flax industry. It is true that some little attention was given to it last fall. Mr. Grisdale went to Washington, and some slight efforts have been made towards inquiring into the needs of the industry. But I do not feel

that we should lose valuable time, especially when the market for the product is calling for enormous quantities of it at prices double what they were a few years ago and which should bring very great returns to the millers and farmers. In western Ontario, in 1913, we had 2,500 acres under flax for fibre; in 1914 we had 1,300 acres, and in 1915, 4,000 acres. Our mills have increased in number until last year we had 27 in operation, largely in that western district.

Mr. PARDEE: How much of the flax was grown in Lambton?

Mr. ARMSTRONG: We have five mills in operation in Lambton.

Mr. PARDEE: How many acres of flax were grown in Lambton?

Mr. ARMSTRONG: I would be afraid to estimate. The mills have increased in the last two years from 9 to 27 in the province of Ontario, and there are ten new mills that are to be opened during the present spring. I am satisfied that if a reasonably earnest effort were put forth a large number of these mills could be opened in different parts of our province, and in the eastern and western provinces as well.

I listened to the hon. member for East Middlesex while he was calling attention to the fact that foreign countries bonus and assist this industry in many ways. Surely it is a reasonable request for us to make that at least an educational campaign should be carried on looking to the development of this industry. In Russia they have established ten standards of flax fibre.

In Canada we have no such thing as a standard for flax. Our millers are carrying on their industry by guesswork largely, sending their product abroad and receiving what little they can for it, while, as a matter of fact, they should be furnished with all kinds of information in regard to the markets for the disposal of this product and to assist them in the development of the industry. My hon. friend from East Middlesex called attention to what Ireland, through the Board of Agriculture, is doing for the development of the flax industry. Surely that is worthy of our consideration. In Australia the mills are assisted and an export fibre bonus is paid. Experiments should be carried on in all experimental farms; factories should be furnished with proper asistance and information in regard to the handling of the product, and the farmers should be educated by the distribution of pamphlets and of general information regarding the care of the product and the harvesting of the crop.

I believe that a division under the Experimental Farm Branch of the Department of Agriculture should be opened immediately, similar to the live stock division, field husbandry division, serialists division, forage crop division, horticulture division, poultry division, botany division and chemistry division.

The duties connected with this division should cover the sending out of literature from time to time to men interested in flax growing and production. The districts where mills are not now being operated should be visited, and if possible the owner should be induced to re-open these mills. Information and encouragement should be given the owners in the way of securing proper seed and giving encouragement to the farmers of the district. The flax mills in operation should be visited by experts at times of seeding, harvesting, spreading, retting and turning, in order that the best results might be obtained. The person in charge of the division should see that the best seed is used for planting purposes. Proper grading of flax fibre for export should be carried on. He should investigate the new means of retting and pulling which are being introduced from time to time. The miller should be kept posted in the latest European and American methods of handling the flax. Ways and means should be found for the disposing of flax and its by-products in Canada and in foreign lands. The flax grower should be assisted in importing the proper kind of flax-seed from Holland or elsewhere, and co-operation should be encouraged. The division should aim at the standardization of flax both as to seed and fibre. New Canadian strains should be developed. Encouragement should be given in the way of baling the crop, and information sent out concerning tests as to the exhaustiveness of flax on the soil.

Lower freight rates should be secured. The western provinces should be visited and a thorough investigation made into the methods of growing flax and the possibility of using the straw or fibre for export or milling purposes. The United States, Ireland, Holland, France and other countries should be visited and their methods of growing and curing the product carefully inquired into and studied. The districts located in the provinces of Quebec

and Ontario, where flax is now being produced, should be visited at the earliest possible date, and every encouragement given to the millers and farmers to become interested in the development of the flax industry. I appeal to the members of this House to give this matter their earnest consideration, and to the Government to take immediate action to secure the development of this industry in Canada along proper lines.

Mr. DONALD SUTHERLAND (South Oxford): I am sure, Mr. Speaker, that we have listened with a great deal of interest to the remarks of the mover (Mr. Glass) and the seconder (Mr. J. E. Armstrong) of this resolution affecting what is in some parts of the world a great industry.

I was interested in the remarks of the seconder of the resolution with regard to flax growing in Canada. The fact that fifty years ago 80 mills were in operation in Canada—largely, I think, in the province of Ontario—forty years ago, 65; twenty years ago, 30; two years ago, 9, shows that considerable experimenting has already been carried out in connection with flax-growing in this country. I happen to come from a part of the country where some of this experimenting has been carried on. While I may not be altogether in accord with some of the views expressed by the mover and the seconder of this resolution, I do not want it to be understood that I am not in favour of all possible light being thrown upon the subject. I was impressed with the remark of the mover of the resolution to the effect that the views which he expressed were based upon his own observations. There are two sides to the question. I believe that the prejudice of the farmers against flax production, referred to by the secretary of the Flax Growers' Association, is not unnatural. While the growing of flax in Canada since the beginning of the war has proved unusually profitable, by reason of the good prices received for the fibre, yet, having regard to the agricultural condition of the districts where flax-growing was extensively carried on for a number of years, I for one do not look favourably upon the encouragement of the industry. In the harvesting of a flax crop the whole plant is taken from the soil, even the root. It is said that machinery has been invented whereby flax may be cut and harvested like other grain. To my knowledge, however, that experiment was made thirty-five or forty years ago, and the objection was that the very best of the fibre was left on the field. When you think of the fight that the farmer is continually waging against noxious weeds, you will appreciate the difficulties that he has to contend with in growing a crop of flax. The whole crop has to be pulled; this operation involves a good deal of labour. In western Ontario I believe the custom has been to get large numbers of Indians from the reserves to camp in the flax-growing districts and pull the flax. The flax was stuked up on the land, and as it remained there for a considerable period, the farmer was unable to cultivate the land immediately after harvest. All the weeds that grew in the crop, being left on the soil seeded there, and in a short time the land became impoverished and full of weeds. Farmers who engaged in flax-growing for a number of years were eventually driven out of the business for that reason. Of my own personal knowledge, I know of farms that were rendered practically useless for any other purpose simply because flax was grown upon them for a number of years, and only after many years were they restored to a reasonable state of productivity. I do not know so much about the condition in western Canada, but I am satisfied that with the new lands they have there, they can grow great crops of flax. I doubt very much, however, whether their climatic conditions will permit them to rett the flax so that they can separate the wood from the fibre. In western Ontario the conditions in the fall of the year are different from what they are in Western Canada. If you look over the records I believe you will find that flax growing is popular only in countries where they have cheap labour. I believe that India is the largest flax-producing country in the world. Argentina is second, and Russia third. United States is a large grower of flax, but she does not engage in the industry as these other countries do. The labour conditions in Canada make it very difficult in normal times to grow flax at a profit. I am satisfied that the farmers of western Ontario would make a great mistake if they should change their system of agriculture and go into the growing of flax, which entails a great drain on the land, whose fertility can be maintained only by the use of artificial fertilizers. I am satisfied that agriculture must be carried on more scientifically in Canada in the future than has been the case in the past. In Ontario, in years gone by, when there was a great deal of new land, flax was a splendid crop to sow on the land the first two or three crops, while rotting the sod, levelling the soil, and bring-

ing it under a system of cultivation. And I believe that even to-day in those sections where mills have been re-erected, the prevailing custom is to sow flax on sod with a view to rotting the sod. But I am afraid of the consequences and I would not like to advise the Government to encourage the growth of flax in this country. A few years ago, I believe, a certain association claimed that they were able to separate the fibre of flax without rotting it. The unrotted flax fibre was going to revolutionize the whole system of flax growing, not only in Canada but in the world. If that were the case, probably in Western Canada it would be a great boon to that country, because I have no doubt that with the system of farming they are able to carry on there, with a rich, virgin soil which will undoubtedly stand cropping for a number of years, they could make it a very profitable enterprise. I have my doubts as to the possibility of making that industry a success in Ontario, particularly in those districts where they have had considerable experience in the growing of flax. I have fresh in my mind the scene that meets my eye every year when the grain is maturing and when I pass through those districts in which flax used to be grown quite a number of years ago. You find that in those fields, even to-day, it has been impossible to obliterate the effects of growing flax. The fields in those districts are as yellow as gold with the wild mustard that grows in the soil as a result of the cultivation of flax. I believe that the weed nuisance, if I am not permitted to describe it by a more severe name than that, is the greatest enemy the farmers of Canada have to contend with to-day, and that it is costing this country annually hundreds of millions of dollars. I believe that the Government will have to resort to drastic measures in order to stop the spread of noxious weeds. It must not be longer tolerated. I do not wish to couple these objections with this resolution, but the two are so bound up, in my mind, that I can scarcely separate them.

Mr. HAZEN: How has the growing of flax caused the spread of wild mustard?

Mr. SUTHERLAND: For the reason I pointed out, that it is almost impossible to pull weeds among flax without tramping it down and destroying the crop. With other crops you can go through and pull out what mustard there is in the field, but you cannot do that with flax. The mustard matures and the seed spreads on the ground before the flax is ripe. The same thing is true of other weeds.

Mr. ARMSTRONG: How is it that in western Ontario, where we have the oldest-established flax mills, which have been in continuous operation for many years, the farmers in the districts convenient to them are the most successful farmers in the country?

Mr. SUTHERLAND: In my boyhood days, which is a considerable time ago, we had three mills in the county in which I live, and for the last 15 or 20 years there has not been a mill in operation there. I understood from the remarks made by the hon. member for East Lambton that 50 years ago there were 80 mills, 40 years ago about 45 mills, 20 years about 30 mills, and 2 years ago only 9 mills in Canada. I think that is a sufficient answer to the question.

Mr. NESBITT: Is there not a mill at Tavistock?

Mr. SUTHERLAND: Tavistock is partly in Perth County. I am not sure whether the mill is on our side of the line or not.

Mr. NESBITT: It is on our side.

Mr. F. F. PARDEE (West Lambton): Some time ago I, in common with other members of this House, received a letter from Mr. Fraleigh regarding the giving of some consideration by the Government to the flax growers of Ontario. I think this question affects the western part of the province to a greater degree than any other part. I cannot, with my knowledge of the subject, go into details as other gentlemen have done, but from hearing the figures given to-day and from reading the circular to which I have referred, the subject appeals to me in this way, that if there is the large acreage growing flax which has been quoted by the hon. member for East Lambton, and if the mills have gradually fallen off from their former prosperity, and if, as the flax growers seem to think, the growing of flax, if properly attended to and with sufficient co-operation between the Department of Agriculture and the growers, is a profitable business it is a fit and proper case for the favourable consideration of the Government and the demands of the flax growers ought to be acceded to, because they are simple demands. They say, in their circular, simply that they desire more co-operation as between the experimental farms and such institutions and the flax growers. Even if the hon. member for Oxford (Mr. Suther-

land) is correct in the statement that the sowing and reaping of flax is liable to leave more weeds in the ground than the sowing of other grains, then there would seem to be even greater need for the Department of Agriculture stepping in and finding out if that state of affairs actually exists, so that the farmers and those interested in the growing of flax may know whether they are sowing a crop that it is advantageous for them to grow. I only desire to repeat that with the acreage sown to flax and the extent of the industry in western Ontario, it appears to be a proper case for the consideration of the Government. If they are not receiving sufficient consideration from the Government and the Department of Agriculture, surely the department should undertake such experiments as will satisfy those interested in the industry that everything is being done that will be of advantage. If the result of these experiments proves that it is not a desirable industry, the flax growers should be told that. The whole matter seems to be in an experimental stage. Then surely it is the duty of the Department of Agriculture to make exhaustive experiments, and so the Government might well accede to the request made by the flax growers.

Mr. J. G. TURRIFF (Assiniboia): Mr. Speaker, judging by the figures that have been given by hon. gentlemen opposite, it would appear that, during the past few years, the principal acreage of flax has been grown in the West, more particularly in the Province of Saskatchewan. As hon. members are aware, some years ago the price of flax was very high. At one time the farmers got, I think, as much as $2.25 per bushel; I know it was around $2 a bushel for a considerable period, and during those years a great deal of flax was grown. As was pointed out by one hon. member, we have never made any use whatever of the straw on the prairies; it has been used either for feeding, or has been burned, which ever was most convinient, I imagine, for the farmers. The money they made out of it, was altogether out of the seed. Anything done by the Government in the way of carrying out the wishes of the flax growers of Ontario, or of ascertaining whether the flax grown in the West is of the right quality to make a valuable fibre that will be worth money on the market, would I think be a step in the right direction. I certainly think it is the duty of the Government to take some steps, for after all it would be a simple matter to make the necessary experiments.

I know that a few years ago a company, having its head office in the Old Country and a branch here, made some experiments, and tried to do something in the way of establishing mills throughout the West. Their purpose was, as I was informed, to pay the farmers so much for the flax straw, after it came from the threshing mill, or so much an acre for the flax straw unthreshed; in fact, to cover both the grain and the straw. So far as I am aware, however, nothing was accomplished in that direction. Among the things that would help the flax industry in the West, there is one which I noticed that my hon. friend who moved the resolution (Mr. Glass) and the hon. member for Lambton (Mr. Armstrong) did not include. I refer to the removal of the duty on flax going into the United States. So far as the flax in the West is concerned, Duluth is the principal market. We cannot consume the flax grown in our country, at least not a very large portion of it; we have to export it. A few years ago when the price was high, a duty of 25 cents a bushel, though a large tax, did not interfere with the growing of the flax, but when the price went down, as it did a year ago, to something around $1 a bushel, a duty of 15 cents on flax going into the United States was quite enough to keep some farmers from growing flax to any extent. I would suggest that if the Government could secure the abolition of the duty on flax going into the United States they would probably do more than could be accomplished in any other way to encourage the growth of flax on the prairies. I think it would be better to adopt a system by which the straw could be used for mercantile purposes, but in the West I do not know that that idea would ever take a very great hold, because labour is high, the farms are large, and the settlements are thin and scattered. They would have to draw the straw a considerable distance, I imagine, in order to have it treated, but whether that would be the case or not I do not know. What I am sure of is, that something ought to be done by the way of experiment, and I think the resolution moved by my hon. friend (Mr. Glass) is in the right direction. I trust that the Department of Agriculture will take hold of the question, find out something about it, and give the House the result of their investigations at an early date.

5 p.m.

Mr. W. A. BUCHANAN (Medicine Hat): The views just expressed by the hon. member for Assiniboia (Mr. Turriff) are very much in accord with those held by myself.

In the southern part of Alberta there is a considerable acreage of flax, not so much in recent years as formerly, and I am sure that if there was more encouragement for the use of the by-products of flax, there would be a greater acreage in that part of Western Canada. Flax grows there with a great deal of success, and the farmers are anxious to find some use for the flax straw. They would also like to get a much higher price for the flax if that could be secured. The flax straw problem has been discussed by the Board of Trade of the city of Lethbridge, and I understand that a few years ago a gentleman from Holland or Belgium travelled through the western country with the idea of establishing a factory for the purpose of utilizing this straw. I think that the Department of Agriculture should give every encouragement to experiments along that line. We are going into intensive farming more and more, and we do not want to waste anything. At the present time flax straw is being wasted, throughout Western Canada at any rate. It is of use in other countries, and we should ascertain whether it is not practicable to use it in this country so that the farmers may get full value for the flax which they grow.

Mr. WILLIAM WRIGHT (Muskoka): I think that one of the reasons why farmers do not go in for growing flax is the excessive cost of threshing and marketing it. This applies perhaps more particularly to the great western country where there is a very large quantity of farm weeds. While threshing operations are in progress with regard to larger grains, such as wheat and oats, it is a comparatively easy matter to separate the weed seeds from the grain, but when you try to separate them from flax, you find it a much more difficult proposition. The result generally is that a certain percentage of those small weed seeds find their way into the flax when it is threshed, and a very large deduction has to be made when the farmer comes to sell it. Even the cleanest growers of flax have to face a reduction of 15 per cent when they sell the flax; that is, that amount is deducted by the elevator companies from the quantity the growers may happen to have in the car. Then, as the hon. member for Assiniboia mentioned, the price cuts a considerable figure, the threshing of flax costs a good deal in the West. I have known 25 cents per bushel to be charged for simply threshing the flax; 20 cents per bushel is a very common charge in the West. The thresher will thresh oats for perhaps 6 cents a bushel, and wheat for from 8 to 10 cents per bushel, according to the manner in which the threshing is done. The fact, therefore, that the cost of threshing flax is so much higher than that of threshing wheat or oats, that the deductions are so much greater, and that there is difficulty in getting the whole crop to ripen at the same time so as to enable the grower to eliminate the immature seeds, all militate against the farmer in the growing of flax. The result has been that a good many farmers in the West, who would otherwise have made a success of it, have given up growing flax.

Perhaps under better conditions this might be made a more profitable crop. The farmers in the West say that they can get a crop of flax off land that would not be a success in growing wheat or oats, and a great deal of the flax of the West is produced under those conditions. As regards the province of Ontario, the people in the district from which I come go in for growing flax in only a very limited way indeed. I should be very pleased to see the Government take this matter up, and see whether something could not be done in the direction of utilizing flax straw. It is a question, I think, that comes very properly within the purview of this Government. Men have visited this Parliament in past years, bringing plans with them, and claiming that they had machines that would pull flax successfully; they said they had some process by which flax could be made merchantably profitable. But as to all these things, our farmers are in very great doubt indeed, and I do not think it would involve any great expense if the Government put some of these processes to the test, in order to find out whether there was any hope of making a success of the flax industry in this country. If some way could be found of utilizing the straw in our great western country, it would certainly be worth while. Flax straw is cut up very much finer than ordinary straw in threshing, and the thought has sometimes occurred to me that perhaps flax straw could be compressed into bricks and used for fuel, like we use peat in the East. There have been in the West experiments with the burning of straw in large ovens or stoves, and the waste in the burning of the straw has been to some small extent utilized; at all events, attempts have been made to utilize it. Any one who is accustomed to growing flax in the West knows that it gives off an immense heat when fired, and I think there is a great

deal of this kind of heat stored up in the West. I should like to see this suggestion tested out, along with any other tests the Government may make when they take hold of this question.

Hon. J. D. HAZEN: The resolution proposed by the hon. member for East Middlesex (Mr. Glass) opens up a question which I think is of very great importance and of very great interest as well. At the outset I may say that I can see no objection whatever to the adoption of the resolution, with this exception: the resolution suggests that " aid " should be given. It says:

> That the flax and linen industries should, both as to culture and manufacture, receive that aid and consideration from the Government, which would enable it to assume the importance the natural resources of our country assure it.

And in speaking to his resolution the hon. member for Middlesex also suggested that it might be desirable for the Government to give a bonus to encourage the flax industry. I do not wish any misapprehension to exist on that point. I do not think the House wishes it to be understood that in voting for this resolution they are voting for a resolution which contemplates giving a bonus for the encouragement of this particular industry. The word " aid " might possibly give the impression that financial aid was intended, and I would suggest to my hon. friend that " aid " be eliminated, and the word " encouragement " substituted therefor. I do not think it is the intention of the House to pass a resolution at the present time giving financial aid to this industry, but if that was the intention of the hon. member for Middlesex, I might point out that such a resolution could not properly emanate from a private member, by reason of the rule that resolutions involving money grants must emanate from a member of the Government. I therefore suggest that the word "aid" be struck out and the word "encouragement" be substituted therefor. The matter which my hon. friend has brought to the attention of the House, like all other matters affecting the agricultural industry of this country, is of great importance, and anything that can be done to encourage the farmers of this country to go into an industry that will be of advantage to them will be of very great value to the country generally. The flax industry in Canada to-day, as appears from the figures of the hon. member for East Lambton (Mr. Armstrong), is not a small industry. The value of the flax produced last year in Canada, as my hon. friend has pointed out, amounted to $15,965,000—a very considerable amount, but very small in comparison with the value of the flax that could be produced in Canada if it was thought desirable, in the interests of the farmers and in the public interests, that more should be produced. Of that $15,965,000 worth of flax, over $13,592,000 was produced in the province of Saskatchewan alone. Of the balance, $1,675,000 was produced in Alberta, $576,000 in Manitoba, $107,000 in Ontario, and $15,000 in Quebec; while in Nova Scotia and New Brunswick, Prince Edward Island and British Columbia no flax at all was produced. The $13,592,000 of flax that was produced in Saskatchewan was grown on 9,061,000 acres, and I believe that the great portion of that flax was grown, not for the purpose of producing fibre for making textiles and linens, but for the seed, out of which oil is made for feed for cattle. My hon. friend from Assiniboia (Mr. Turriff) has pointed out that there is not a large enough market in Canada for the production of a large quantity of flax, and that it might be of some assistance to the flax producer of this country if the United States Government removed the duty on flax. I might say to my hon. friend that so far as the production of flax for the manufacture of oil is concerned, there is a very great demand in Canada to-day for a much larger production. The paint makers of this country have been in communication with the Department of Agriculture about it, and have represented that the demand amongst the paint makers of this country to-day for the oil produced from flax seed is very much in excess of the supply in Canada at the present time. Not only is that the case in Canada, but there is also in Great Britain to-day a very large demand for linseed oil, and if the acreage in Western Canada was increased to a very great extent over what it is now, there would still be a market in Great Britain and Canada for all the oil that could be produced from the extra amount of flaxseed grown. I think my hon. friend, had more in mind, as the hon. member for Lambton had, than the growing of flax for the purpose of fibre out of which textiles could be produced. I speak without any practical knowledge of the subject, and only with such information as I have been able to obtain from reading, and in discussion with others, but I think I am correct in stating that the variety of flax from

which seed is produced for the purpose of oil, is not the best sort for the production of fibre out of which textiles can be manufactured. There is a difference in the quality and, to some extent, in the nature of the flax that is used for these different purposes. I might say the Department of Agriculture has been taking steps along the lines which have been suggested in the debate this afternoon, and I trust they will be of such a character as to satisfy the farmers of this country as to the advantage or disadvantage of raising flax in Canada. As was pointed out by the hon. member for South Oxford (Mr. Sutherland), who addressed the House some time ago, there is an apparent difference of opinion with regard to this matter. In certain parts of the country where farmers have ceased producing crops that at one time they produced, they have done so because, being alive to their own interests, they concluded that other crops would pay them better. This may be the reason why the farmers of Ontario are at the present time producing less flax than they did fifty years ago when the industry was, according to the figures given to-day by the hon. member for East Lambton (Mr. Armstrong), quite a flourishing one; but I know of sections in the eastern part of Canada where years ago the people produced a considerable quantity of wheat and where now they have altogether abandoned its production, finding it more profitable to purchase their flour from the millers of Western Canada and to use their lands for the production of crops of an entirely different character. Yet I have known of a case where, years later, under altered circumstances and conditions, farmers have returned to producing those crops which at one time they thought it was better to abandon in order to produce other crops that were more profitable, and that could perhaps be produced more easily. The same conditions may apply to the production of flax in Ontario. When the farmers of Ontario abandoned the production of flax to the extent stated by the hon. member for East Lambton the conditions may have been very different from those prevailing to-day, and, in the section of country from which my hon. friend comes, the farmers are evidently finding it to their advantage to return to the production of flax, because, if I understand my hon. friend aright, where two years ago there were only nine mills, there are now twenty-seven mills and ten more mills will be added during the present year. I conclude that the farmers, who are pretty good judges of their own interest and who are practical men, have, at least in that portion of western Ontario in which the Lambtons and the Middlesexes are situated, decided that under the conditions that exist to-day it will pay them to raise flax, and consequently farms are being planted with flax and mills are being erected for the purpose of retting and scutching the flax after it is produced.

My hon. friend from South Oxford (Mr. Sutherland) has referred to the fact that flax is not regarded as a desirable crop because of the difficulty of doing away with and destroying the weeds that grow amongst it, and because in pulling up the weeds, the fibre of the flax is apt to be destroyed, since, if I understand the flax business correctly, flax cannot be mowed or harvested as can wheat and oats. It has to be pulled up by the roots, because some of the very best part of the fibre is contained in the root, and if the flax is cut off by a mower or a reaper, a great deal of this very best part is wasted. Thus, in pulling up mustard weeds, which grow amongst the flax, there is danger of pulling the flax up and destroying the fibre and to a great extent destroying the crop. That is a matter that should be considered by the experts of the Department of Agriculture; and it is altogether likely that if experts in the culture of flax and experts in the experimental farm work take the matter up, they will be able to find a remedy for this trouble. At the present time the people interested in the flax business are endeavouring to find a remedy by the invention of machinery for the purpose of pulling up the flax so that the labour problem may be overcome, and the work of pulling not so expensive as it has hitherto been. I have before me the photograph of a machine invented for pulling the flax, which, if successful, will very much lessen the cost of pulling.

I have stated that the Department of Agriculture has taken this matter into its serious consideration. Mr. Grisdale, director of Dominion Experimental Farms, was some time ago directed by the Minister of Agriculture to look thoroughly into this matter with a view of working along the broad lines suggested in the resolution now before the House. The result has been that the growing of flax for fibre has, during the past year, received very considerable attention from the department. A quantity of flax has been grown on the Ottawa Experimental Farm, and

there have been collected in the various provinces where flax is grown, samples which have been retted here and scutched at Forest, Ontario. For the information of hon. members who perhaps know very little about the flax business, I may say that "retting" simply means "rotting," and is spelled with an "e" instead of an "o." This process is generally carried out by placing the pulled flax, or what we might call the straw, in water, and allowing it to remain for four or five days. At the end of that time the ligneous matter is retted or rotted to some extent and separated from the fibre. The mass is then taken out of the water and allowed to dry, when it becomes quite brittle. It is then put through corrugated rollers and broken up. The next step in the treatment of the flax is the scutching. The scutching machine consists of an instrument something like a wagon wheel with the felloes removed and seven or eight spokes left attached to the hub. This is rolled over the straw, and by this means the woody portion is knocked off and the fibre is left. The fibre, as we have it in Canada, is something like the sample that I have in my hand, and it is not manufactured into linen in this country, but is shipped in this condition. This work has been going on at the experimental farm, and some very good samples have been obtained by means of this process.

In August last Mr. Grisdale, director of Dominion Experimental Farms, made a general investigation into the status of the industry and the possibility of its expansion in Canada. A bulletin on the subject of flax for fibre in Canada has just been prepared, and when printed it will be distributed generally amongst prospective flax growers. Mr. Grisdale has made a report on the subject, from which I will quote a few extracts:

> Acting under instructions from the Minister of Agriculture, the Hon. Martin Burrell, the writer has, during the last two or three weeks, made an effort to learn something about the "flax fibre" producing industry in Canada and the United States as to (1) information available in Government bureaus, (2) men capable of taking part in the propaganda to increase production and encourage the industry in Canada and available for such a purpose, (3) the line such a propaganda might follow, (4) the present state of flax for the fibre producing industry in Canada and the United States, and (5) general information on the subject.

For this purpose Mr. Grisdale first of all went to Washington to see what information he could get there from the secretary of the fibre division of the United States Bureau which is connected with the Department of Agriculture of the United States. His visit there, however, showed him that very little information of real value had been collected by that division. The files showed but a very small knowledge of people interested in the actual production of flax for fibre in the United States, and Mr. Grisdale found that the two men apparently recognized as the best men in the industry in the United States were Mr. B. Summers of the Summers Linen company, Port Huron, Mich., and Mr. McCaul, of the James Livingstone Flax company, Yale, Mich., while in Canada the only man recognized as an authority was Mr. G. Howard Fraleigh, of Forest, Ontario. Mr. Grisdale proceeded from Washington to Chicago, where he had an interview with Mr. Dewey, who, I understand, is connected with the Department of Agriculture at Washington, but who was not in Washington at the time of Mr. Grisdale's visit. Mr. Grisdale, in his report, states:

> Through kindness of Mr. Taylor, I was able to get into touch with Mr. Dewey by telegraph and to make an engagement to meet him in Chicago. This I did and found Mr. Dewey very sympathic in his attitude towards our efforts to gain information along various lines of interest in connection with fibre flax. He admitted, however, that neither he nor Mr. Miles, his assistant, was in a position to help us out although he expressed willingness to do anything he could in that way. Their knowledge was, he admitted, theoretical, rather than practical and the bulletin recently prepared by Mr. Miles was largely of the nature of a compilation rather than a work based upon results or practical work done by their division. The work being carried on by the fibre division with flax is along the following lines:
>
> (a) Improvement of varieties by selection from experimental plots being grown in the United States and by importation of new varieties. Blue and white blossom varieties are being tried out from seed imported from Russia, Belgium and Ireland.
>
> (b) Study of cultural methods on farms in various parts of Michigan and Wisconsin.
>
> (c) Study of machinery and manufacturing methods.
>
> (d) Study of the fertilizers and soil requirements of the crop.
>
> (e) Dissemination through the medium of bulletins and leaflets of information collected.
>
> Mr. Dewey corroborated what I had learned at Washington as to Summers, McCaul and Fraleigh being the best men in America from the flax-for-fibre producers standpoint.
>
> Leaving Chicago, I next visited Mr. Bartrand S. Summers, of the Summers Linen Co., Port Huron, Michigan, and was by him shown all through the rather extensive plant of this company. In this plant I was so fortunate as to see every operation under way except the threshing.
>
> This company—which is really Mr. Summers—is the only firm known to carry on chemical retting on a commercial scale in the flax world. The threshed flax is baled and brought in from as far as 25 or 30 miles in box cars. It is

retted in a large steel cylinder, probably 20 feet long by 10 feet in diameter, lying on its side and having two port holes with iron doors on top. It will ret about 5 tons at one time.

In Mr. Summers' opinion the most serious problems confronting the growers of flax for fibre to-day are: (1) better varieties, (2) better cultural methods, (3) a pulling machine, (4) better fertilizing methods, (5) more information on best time to harvest, (6) a scutching machine.

He considers that if a puller could be perfected a tremendous advance will have been made in the industry in America and that fibre flax would immediately take a prominent place among crops over very considerable areas in Canada and the United States. He considers climatic and soil conditions over practically the whole of western Ontario as highly suitable for production of fibre flax.

Mr. Summers has built a flax puller which has given fairly good results and he thinks that he may yet be able to make a really first class machine of this kind. Mr. Fraleigh, of Forest, Ont., with whom I discussed this machine seems to think that Mr. Summers would eventually have a really good puller. Mr. Summers has also built a scutching machine which he showed me, but he did not seem particularly optimistic as to its future, admitting that it was far from perfect yet.

Mr. Summers did for some years manufacture rugs from a certain proportion of his output of fibre. These rugs sold well and wear well. He has, however, been forced to abandon the manufacture for the present on account of a fire in his factory and the scarcity of suitable dyes since the beginning of the war. Mr. Summers imports seed from Holland and Russia and also from Canada. From Holland he gets the best seed from Mr. Lucardie, of Rotterdam. Mr. Summers claims to have found a market for a part at least of the ligneous residues from scutching. It is to be used by a certain company as a base for a stock food.

Mr. Summers advised me that the best man in the business of producing flax for fibre today in America was Mr. G. Howard Fraleigh, Forest, Ont. So, on leaving Port Huron, I crossed to Sarnia thence to Forest and there met Mr. Fraleigh already mentioned several times above.

Mr. Fraleigh I found to be an enthusiastic and energetic grower of "flax for fibre". He has been in the business some twenty odd years and seems to have made a decided success financially. He handles about 500 acres of flax for fibre each year. His plan of operation is, he states, practically the same as is followed all over Ontario and in Michigan. He rents fields of varying size from farmers in a radius usually of 5 or 6 miles but occasionally farther afield. The soil preferred is heavy loam, clay loam, or clay. Sometimes fields of lighter soil are selected but this kind of land is not favoured since the crop is more likely to suffer from drought in the early part of the season and so be short in the staple. The farmer undertakes to plough the land, at the time approximately indicated by the operator, disc-harrow, roll and harrow until ready for the seeder. Once the field is ready to sow the responsibility and the work of the farmer cease.

The report is a very interesting one, and will well repay the careful perusal of any member of the House interested in this and other agricultural subjects, but I cannot trespass upon the time of the House by reading very much from it.

Mr. Fraleigh states that the industry of flax growing for fibre production in Ontario is at present in rather bad shape for the reason, as he thinks, that the business has to some considerable extent got into the hands of promoters and others having no practical knowledge on the subject or at best very small experience. This is due to the fact that no new blood has been coming into the practical side of the business for some years and that recently the old men have been dropping out. Their business, where not allowed to go down, has usually been taken hold of by a promoter who has seen in it a chance to make money and is now using all the devices or schemes of the promoter to make it go and to make as much money out of it for himself as he possibly can. He claims that the old line men and the new men or promoters have little in common.

In the opinion of Mr. Fraleigh, as expressed to me, the thing that would do the most good to the industry in Canada would be the appointment of a man, who could immediately go out and help the producers by showing them how to grade their fibre products. Lack of proper grading methods results, he claims, in the loss of many thousands of dollars each year in Ontario. Such a man might also do something to help the industry by visiting the farmers and giving personal advice and also by getting out instructive literature.

The above report summarizes as briefly as possible such of the information I have been able to gather on the subject of flax for fibre production in Canada and the United States, as seems to me to be of sufficient importance to justify its incorporation herein.

The impression left upon me by all I have been able to see, and by the men I have had a chance to interview, I shall attempt to summarize in the following few sentences:

1. Flax for fibre production in the United States is quite a negligible industry. It is confined almost entirely to Michigan and includes, I am reputably informed, not over five operators. The most important of these are the Summers Linen Co., Port Huron, Mich. and the Jas. Livingstone Flax Mills, Yale, Mich. Recent failures in various parts of the United States in this industry due to wrong methods—due to promoters—would seem to indicate no expansion in the near future.

2. The Fibre Investigation Division of the bureau of Plant Industry, Washington, has carried on very little investigational work with flax and is not in a position to assist Canada with either information or men capable of collecting or imparting information on the subject.

3. The Industry in Canada, while apparently profitable is in the hands of a very few people. There would seem to be room for a very considerable expansion.

4. Prices for fibre are high. The districts in Russia, Belgium and France where flax for fibre is grown most extensively are being devastated by the present great war. In some cases a large percentage of the men and other labourers formerly engaged in this industry have been killed or scattered. It is probable, therefore, that it will be some years before prices will be materially lower. It would on this account seem an opportune moment to encourage expansion in this industry in Canada.

5. The peculiar character of the industry in that it affords opportunities for gain to both farmers and artisans and to labouring men, women and children (for the last three as well as for the first under very healthful conditions) would seem to make it an industry well worthy of every effort on the part of any Government, to foster and encourage.

6. Another peculiar feature of the industry, that it might employ a considerable number of labourers of all kinds in small centres close together which would not complete but rather help each other by their actual co-existence in a country, seems to me most insistent of consideration.

7. The sources of profit from the crop are: seed, cattle feed, oil; fibre for textile or cord making purposes; tow for upholstering purposes; coarse, broken straw for packing and cheap upholstering; chaff for cattle feed; ligneous residues for fertilizer, or, possibly. other purposes.

8. The production of this crop would seem to be indicated over the vast clay belt in Northern Ontario and Northern Quebec along the line of the Transcontinental railway, where soil and climatic conditions are probably favourable, as well as in western Ontario and over certain parts of southern Quebec.

Since writing the above sentence I have visited northern Ontario and on the line of the Transcontinental at Ground Hog river (Fauquier) I saw a field of excellent flax sown in June and just about ready to pull on September 24.

After reviewing what I have seen, the information I have collected and my interviews with different men interested in this industry, I would like to make a few recommendations along two lines.

Recommendations as to lines of effort likely to help the industry at the present juncture:

(a) The urging upon producers of the importance of grading their product, and, if possible, the assisting of them along this line. To do this it might be possible to bring over two or three experts from Ireland or from among the Belgian refugees in England.

(b) The preparation and circulation of a brief pamphlet setting forth the possibilities of the industry and indicating the methods most likely to insure, profitable production.

(c) The undertaking of a series of meetings during the coming winter in those parts of Ontario where the industry is already established. Such meetings should have for object the impressing upon farmers and growers of the necessity for better methods of producing and better seed. An effort should be made also at such meetings to show that flax is not a crop extraordinarily exhaustive of soil fertility.

That would seem to be rather in conflict with the opinion expressed by the hon. member for South Oxford this afternoon.

The report goes on to make certain recommendations in regard to permanent work. By permanent work is meant the work that should be undertaken by the Government with a view of helping the industry in the near future and of putting it on a stable basis in such parts of Canada as may be found suitable as to soil, water, and climatic conditions. The recommendations are as follows:

(1) The establishing of a subdivision for fibre research work as a part of the Experimental Farms Branch.

(2) The exhaustive trying out of varieties of flax and methods of cultivation on our various experimental farms in Canada and in addition at, say, three or four points in the present flax growing districts of Ontario, and possibly at two or three points in Quebec, where flax is likely to be successful.

(3) The establishment on the Experimental Farm at Ottawa of a small but complete plant for all the operations in connection with the production of fibre from flax. Building machinery and equipment would cost probably $3,000 or $3,500.

(4) The securing of a practical man such as Robinson, now employed by Fraleigh as a foreman in charge of the work there.

(5) The employment of a young man with an Agricultural college training and an inclination toward this industry to go into the thing and make a thorough study of the practical side of the business for two or three years by performing all the actual operations, say at Mr. Fraleigh's until he could act as an expert in judging growing crops of flax for fibre, in harvesting, in retting, in scutching, in sorting and grading, in baling, in hackling and in judging fibre. This man, when adjudged to have attained a sufficient degree of efficiency, should be placed at the head of the work with fibre, either as a chief officer, or as a sub-officer of the division of botany; probably the former.

(6) The appointment of a temporary officer in the outside service, attached to the experimental farms, who would take charge of the work outlined under first heading, and who might later develop into a useful man for outside work in this connection.

(7) The continuation and expansion of the breeding work and selection work with flax now being carried on at the Central Experimental Farm.

That report was received some months ago by the Minister of Agriculture. The minister has been giving his attention to this question, and as a result instructions have been given along this line: First, that a properly trained man be selected to take charge of investigational work at Ottawa in connection with fibre flax production. Difficulty has been found in getting the right man for this position, because, as is pointed out in this report, not many young men in Canada are experts in the matter of flax production. The department believes that it is on the track of such a man now, and it is hoped that an appointment will be made within a short time. Once we get a man who understands the flax business, the rest will follow as a matter of course. In the second place, instructions were given that a series of experiments be carried on in the different provinces, and that a special building be erected in Ottawa this season for the work in connection with flax. The

department is considering the question of bringing an experienced retter and scutcher from Ireland, where the flax industry has assumed a very great degree of perfection. Special investigational work, with a view to approving varieties and methods will be undertaken at Ottawa and at other points where there are experimental farms. It is hoped that a series of meetings can soon be arranged for in the flax areas of Ontario, with a view to encouraging more of our farmers to grow flax for fibre this year.

These are the steps that have been taken. It seems to me that the result of these recommendations depends upon the qualifications, energy and industry of the man selected to take charge of this work in connection with the Experimental Farm and the Department of Agriculture. If the department is fortunate enough to secure a man of ability who will take the matter up with enthusiasm, everything else will follow as a matter of course. The matter will be thoroughly discussed, and after experiments have been carried on for a short time, I think it will be demonstrated whether it is expedient for the farmers of Ontario and the other provinces to extend their flax acreage and proceed with the manufacture of fibre from flax. The House will see from what I have stated that the Department of Agriculture has not been idle in this matter; it has given it very serious consideration, and has almost I may say, forestalled the resolution which has been moved by the hon. member for East Middlesex.

Mr. GLASS: The suggestion of the hon. minister with regard to a proposed change in the resolution is quite satisfactory. When the resolution was framed I had not in contemplation the giving of a bonus or financial aid. I realize that there is a distinction between encouragement without aid and aid without encouragement. The use of the word "encouragement" meets the purpose of the motion, and I have no objection to the amendment.

Motion, amended as proposed, agreed to.

VALCARTIER EXPROPRIATIONS.

Rt. Hon. Sir WILFRID LAURIER moved:

For a copy of all correspondence up to date respecting expropriations at Valcartier, as well as statement of actions taken, judgments rendered, and claims still unsettled.

He said: Mr. Speaker, this is the third time I have moved for papers in connection with the camp at Valcartier. They have been brought down on each occasion, and my reason for again referring to this subject is that, of the eighty farmers whose farms were taken, twenty have not yet been paid nor has any action been taken against them. Of course they are not able to bring their claims into the courts; they must await the action of the Government. Everybody will admit that this reflects little credit on the Government; these men should either be paid or brought before the courts so that a judgment may be had on their claims. I ask the Minister of Public Works (Mr. Rogers) to bring the matter to the attention of the Minister of Justice in order that the matter may be expedited; otherwise I shall have to again bring it to the attention of the House.

Mr. ROGERS: I had occasion to discuss this matter the other day with the Minister of Militia (Sir Sam Hughes), and he then informed me that many cases that had been taken to the Exchequer Court were being very rapidly disposed of. The statement was then made that every effort was being put forward with a view to having all the cases entirely disposed of. I shall, of course, bring the remarks of my right hon. friend to the attention of the Ministers of Militia and Justice and endeavour to see that the remaining claims of the farmers of Valcartier are dealt with immediately. I know that the Minister of Militia was well satisfied with the progress that was being made a short time ago—

Sir WILFRID LAURIER: He is easily satisfied.

Mr. ROGERS:—and he was making every effort to have the matter adjusted as soon as possible, in the interests of the people there.

Motion agreed to.

At six o'clock the House took recess.

The House resumed at eight o'clock.

CANADA SHIPPING ACT AMENDING BILL.

Mr. J. H. SINCLAIR (Guysborough) moved the second reading of Bill No. 21, to amend the Canada Shipping Act.

He said: I desire to make some progress with this Bill to amend the Canada Shipping Act which has stood on the Order Paper now for a long time. It is intended to give some relief to the toilers of the sea. The coasting trade of the Maritime Provinces is what I have chiefly in my mind, though, of course, the Bill affects the Pacific as well as the Atlantic coast.

The present law limits a coasting captain to 5 degrees north latitude; that is to say, he is not permitted to clear his vessel for any point further south than 5 degrees north latitude. The distance that the ship is allowed to go is governed by the kind of certificate that the captain holds. Under the shipping law of Canada there are two classes of certificates. One is called the deep sea certificate, and a man holding the deep sea certificate is at liberty to clear for any port in the world; there is no limit whatever, providing he complies with the law in other respects. A captain holding the coasting certificate however, is, as I have said, restricted at the present time to 5 degrees north latitude, sailing south. My purpose is to change this, and to allow a captain holding a coasting certificate to go a much greater distance south.

Originally the law relating to coasting captains did not contain the restriction complained of. In the early days in the province of Nova Scotia, and the other Maritime Provinces, coasting captains were permitted to go as far as the owners of the vessels wished them to go, and they frequently took advantage of this liberty to sail as far south as Cape Horn, and even round the Horn. In the days of the gold mining in California, it was a usual thing for a coasting captain to go to California, and some of the more adventurous spirits went as far north as Alaska, to engage in the seal fishing. This continued for half a century or more. Those were the days when shipping flourished in the Maritime Provinces. It used to be the proud boast of Nova Scotians in the sixties, that there was no country in the world that owned as many tons of shipping to the population as the province of Nova Scotia, not even Great Britain or the United States. That was in the sixties and the seventies, but I am sorry to say that that condition does not exist to-day, and I have no doubt that that fact is partly owing to the restrictions that have been imposed since confederation.

The ships of the Maritime Provinces were sent to all parts of the world in those days, and I have no doubt that the intercourse which the people had with foreign countries had a good deal to do with the moulding of the Bluenose character as it is known to-day. The talk around the fireside on the winter evenings was about Shanghai, Nagasaki, Calcutta, Cape Colony, Valparaiso, San Francisco and other places far distant. It had the effect of making the Bluenose a sort of a roamer, for he is a wanderer, and has been for generations. I think it was Sam Slick who said that wherever you go throughout the world you can find a Scotsman and a Newcastle grindstone. I think it is also true that nearly everywhere you go you can find a Nova Scotian, for they are scattered pretty much all over the world. In those early days nearly every family had a son or a relative engaged in the deep sea trade, and of course they kept the people at home in touch with the great world outside. The ambition of the ordinary Nova Scotia boy was to grow up to be a sea captain. Among the published works of Joseph Howe there is a poem which is now out of print, and which contains a very interesting description of the coaster. I do not think it will be out of place for me to embalm it in the pages of Hansard. I know that the Deputy Speaker will not object, as I am quite sure a large number of his constituents are interested in the coasting trade in such places as Parrsboro, Westport, and other ports along the coast of the county of Cumberland, men who like those from other parts of that province, have distinguished themselves as hardy and adventurous seamen. The following is Howe's description of the coaster:

Though the idle may heed not, the wealthy despise
The race to which I and my fellows belong;
My voice o'er my own native waters shall rise,
And the deck of my shallop resound to my song.

Though my craft may be small, she is snug and she's trim,
And her crew are accustomed to battle the wave,
They are cheerful of heart, and athletic of limb,
And follow the business their bold fathers gave.

Through the storm and the sleet of the winter we sail,
While the rich and the feeble on couches repose;
There is health in our toil, and a charm in the gale,
And our courage still rises the harder it blows.

Every harbour from Sable to Canso's a home,
Every depth from the Banks to St. Lawrence we've tried,
And we care not though round Labrador we may roam,
Or sweep on the strength of old Fundy's fierce tide.

Now wealth from the wave we draw forth with our lines,
And now with a cargo of produce we're stow'd,
Or having a full freight of coal from the mines,
We slowly sail on with our cumbersome load.

Though the Merchantman looks gay, her crew
are but slaves
And own not a stick of the vessel they
steer,
Though the Frigate glides by, like the Queen
of the Waves,
We know that the cat and the bilboes are
there.

Then who would exchange the rough life that
we lead,
Joint owners at sea, and free sons of the
soil,
At the bidding of others to labour and bleed,
With but little of pleasure to sweeten our
toil?

We build our own shallops, we rear our own
crew,
And life has for us sweet endearment in
store,
For though luxury's fetters our souls never
knew,
Bright eyes bid us welcome when peril is
o'er.

Thus we Coasters enrich the fair land that
we love,
And if danger should threaten, the cutlass
we'd seize,
And our hearts and our sinews in battle
would prove,
That the spirit of freedom is nursed by the
breeze.

Mr. GRAHAM: They would make good men for a navy would they not?

Mr. SINCLAIR: I have no doubt that, if the Minister of Naval Affairs would send out a call for naval recruits, he would find the young men along the coast of Nova Scotia just what Howe described them to be 50 years ago.

I refer to these historical matters for the purpose of showing what an important place the coaster has in the life and history of the Maritime Provinces. As I have said, the tonnage owned in Nova Scotia was much greater in the days of Howe than it is at the present time; that is a regrettable fact. There was a ten per cent tariff and free navigation laws and the coaster to go wherever he could find business. The distance that the smaller class of vessel went was restricted by the size of the ship, because it is not profitable for a small vessel to go on a very long voyage as she cannot carry enough freight to make the venture profitable. Those restrictive laws which limit the distance unnecessarily are only hampering trade and doing good to no one. A vessel that can go 1,000 miles can go 2,000 miles, if she can find profitable business. That freedom prevailed up till Confederation, and after Confederation, but I think it was in the time of Captain Spain or Captain Salmon of doubtful memory that the officers of the Marine Department began tinkering with the shipping law. They passed a regulation, which was ratified by Parliament, that a captain holding a coasting license could not go further south than Cape Hatteras. That shut out the coaster from the West Indies, where his most profitable trade is to be found in the winter season.

Many of our ships that are engaged in the fishing industry during the summer season, when winter comes and fishing on the banks is closed, were accustomed to find profitable trade with the West Indies. They frequently carried down a cargo of lumber or fish and returned with molasses or rum. That was the course of trade for many years. Then this unfortunate restriction was imposed by which they were not allowed to go beyond Cape Hatteras. This shut our vessels out from trade with the West Indies. This continued for several years, until the statute was repealed in 1908 and the line moved down to 5 north latitude, which enabled our coasters to engage in the West Indian trade. But that is not far enough. Our larger ships can find more profitable business in South America. Since the war began, the larger class of coasters in the United States have done a very profitable business along the coast of Brazil and the Argentine Republic. This business has chiefly been done by the vessels of the United States. Their laws are so free from restrictions that a captain of a coasting vessel up to 700 tons needs no certificate at all. The owner of the vessel selects his captain, puts him aboard, and the Customs House asks no questions. That is the law of the United States, and you can readily see what an advantage it gives their seamen over ours, who are subject to these restrictions in competing with the United States for that profitable trade. Shipowners naturally tried to discover some method of evading this regulation. The coasting captain is a resourceful fellow, and he did discover methods of evading the law. One method was by securing the services of a deep-sea captain to clear his vessel. In many ports of the Maritime Provinces can be found some old retired sea-captain who has served his time at sea and holds a deep-sea license. The Customs House cannot refuse to clear a ship when a man holding such a license is in charge. The consequence was that the owner of a ship would temporarily employ one of these retired men for the temporary purpose of clearing the ship. The deep-sea

captain would get his clearance from the customs house for some port further south than the law would allow a coasting captain to go. The old captain would then sail his ship down the harbour, and at some convenient headland would go ashore and the real captain come aboard and go on with the voyage. The law was evaded in that way for several years, but it was found very inconvenient, for these old captains were not always on tap, and I have heard of one case where the captain thus temporarily put in charge refused to give up the ship after he had cleared from port. So they had to find some other method, and the next one adopted was to change the registry of the ship. That has been frequently resorted to. The result to-day is that about sixty or more of the largest coasting vessels in the Maritime Provinces are registered in Barbados; a few are registered in Newfoundland or some other colony.

There is no difficulty about changing the registry of a ship; it is just as easy as rolling off a log. The Government provides the necessary machinery, and that is what makes the whole proceeding look so extremely foolish. All that an owner has to do when he wants to evade this regulation is to go into one of the offices of the Canadian customs and ask for a blank form, which is provided freely by the Government. He then fills it out, signs his name, and his ship is transferred to Barbados or wherever elese he wants it registered. He pays the trifling sum of three or four dollars to the customs officer, walks out of the office, pulls down the Canadian flag, and goes on with his business. That is what has been going on for many years, until now a great number of the vessels that were under Canadian registry have been transferred to the registry of some other colony, or to that of the United States. And a great many more ships would have been transferred to United States registry during the past two years if it had not been for the Order in Council which prevents ships from being transferred to any foreign registry during the war. Everybody knows that until about two years ago the American registry was closed to foreign vessels. If a citizen of the United States wanted to own a ship he had to build it in the country. Then, in the early summer of 1914, a law was passed in the United States allowing an American citizen to purchase a ship and place her under the American registry without paying any duty, and subject to no special restriction. Between that date and the outbreak of war no less than fourteen vessels had been transferred from Canadian registry to United States registry, and had it not been for the Order in Council passed by this Government many more Canadian vessels would have been transferred to the American flag. As I have already said, some of our vessels are even now under the American flag, and many others are registered in some distant colony. The reason why they register in other colonies is because the ships of these colonies are under British law and are not subject to the restrictions that exist in Canada. A vessel registered in Barbados, for example, is permitted to sail to South America, and to carry on business where business is profitable. This is the definition of a coasting voyage as it stood in the revised statutes prior to 1908:

> Coasting voyage means a voyage between any port or place on the Eastern coast of Canada and any other port or place on such coast or in Newfoundland, Labrador, St. Pierre, or Miquelon, or on the Eastern coast of United States, not farther south than Cape Hatteras; and on the West coast not farther south than the harbour of Portland, in the State of Oregon.

That was repealed in 1908 and the line moved down from Cape Hatteras to 5 north latitude. I propose now to repeal the present section and to substitute therefor the following:

> "Coasting voyage" means a voyage between any port or place on the eastern coast of Canada, and any other port or place on such coast, or in Newfoundland, Labrador, or St. Pierre or Miquelon, or any port or place on the eastern coast of the United States of America or Mexico or Central America or in the West Indies, or on the eastern coast of South America not further south than forty degrees south latitude; and also means a voyage between any port or place on the western coast of Canada, and any other part or place on such coast, or on the western coast of the territory of Alaska, or of the United States of America or of the western coast of Mexico or Central America or South America not further south than forty degrees south latitude.

If this Bill becomes law the Canadian coaster will be permitted to compete for business in the ports of South America. I see no reason why he should not go round the Horn. The American coaster is at present free to engage in South American business. What I am asking for is that a captain holding a coasting license be allowed to trade with South America, and go through the Panama canal, and be free to do business in the ports of the Pacific coast.

Mr. Speaker, you will agree with me that capital is very sensitive, especially capital engaged in shipping. The man who owns a ship is in a much more independent position than the man who owns a railway, or a telegraph line, or any similar enterprise on land. It is the easiest thing in the world for a shipowner to seek new fields, and if need be to change the registry of his ship. If the Canadian trade is not profitable, he can leave Canada, and engage in trade in Europe, in the Argentine Republic, in the West Indies, in India, wherever there is profitable business. He has the seven seas to go to, and, consequently, when this Parliament imposes upon him a foolish restriction which hampers his business, he simply pulls up his stakes and goes where laws are reasonable and business is profitable. That shows how important it is for Parliament to be careful in regard to such restrictions. In the United States, for example, not more than a year or so ago, some labour organizations raised an agitation that Japanese and Chinese should not be employed in vesels plying out of the ports on the Pacific coast of the United States. Congress capitulated to this agitation and the consequence was that they passed a law prohibiting foreigners from being employed as sailors on American ships. At that time California was the headquarters of a large shipping firm which had a fleet of ships trading in the Pacific and calling at Honolulu, and proceeding to far eastern ports. This firm was compelled to retire from that business and use their vessels elsewhere, because they could not comply with the law. They could not get American sailors to man their ships, and now the only communication which the people of the United States have with far eastern ports is by Japanese vessels, and there is now no regular liner flying the American flag sailing out of any of the Pacific coast ports of the United States. That is humiliating to the United States, and has happened because of that simple regulation that I have referred to in regard to the employment of sailors, so that restrictions of this nature which may appear simple enough to landsmen and people who do not understand shipping matters, frequently turn out to be very serious when applied to shipping interests where capital is sensitive and where it is open for a shipowner to escape from the scope of such regulations.

Now, there are still a good many coasting vessels on the Canadian register, and we want to keep them there; but if we are to do so, we must act promptly in order to prevent more of them from leaving. Two years ago I introduced a Bill intended to rectify this difficulty by repealing this clause and allowing the coasting captains to sail further south. At that time the Minister of Marine and Fisheries (Mr. Hazen), who I am sorry is not in his seat, postponed any action in the matter, stating that he intended to revise the shipping laws of Canada, and that then this matter would receive his attention. So far as I know nothing has been done, and the consequence is that since that date two things have happened: a large additional number of ships have withdrawn from the Canadian register, and those which have remained under the Canadian flag have lost hundreds of thousands of dollars for their owners, who are penalized by the loss of profitable business which they cannot engage in because they are not allowed to sail to southern ports. The question is often asked, why is such a regulation as this in our Statutes? I confess that I am not able to answer the question, and I do not believe my hon. friend the Minister of Marine and Fisheries is able to explain it. The question has been asked over and over again in this House, and no one has ever been able to answer it. The restriction apparently was made owing to the whim of some one in the office of the Department of Marine and Fisheries, and it is difficult to understand why it has been allowed to remain in the Canada Shipping Act for so many years, seeing that it has done so much damage to the shipping business of this country. If it was a question of safety, I would not complain. If safety was the object one would have supposed that restrictions would have been imposed upon captains sailing to northern latitudes in the winter season; but there is no restriction so far as going north is concerned, the only restriction is against going south amid the laughing waves and eternal sunshine of the topics. The Minister of Customs never hesitates to allow a captain to clear his ship in the dead of winter for the stormy shores of Newfoundland, for Labrador, for Baffin bay, for that new country where Stefannson planted the Canadian flag last year. You can go as far north as the North Pole if you wish; the Minister of Marine and Fisheries offers no objection to a northern voyage, but as soon as you turn the prow of your ship south, he says, "No, you must not go there,

because it is past 5 degrees north latitude," but he gives no other or better reason, and no man in this House or outside of it has ever been able to give any better reason why that should be the case. The restriction, however, has stood on the statute books of Canada for a good many years, and it reflects on the intelligence of the Canadian parliament that it should remain there.

The size of the coasting vessel does not justify the restriction because some of these vessels are large enough to sail anywhere; they can go across the ocean just as easily as along the coast; they are quite capable of sailing any sea and weathering any storm. They do not usually cross the ocean because it is more profitable for them not to do so. Many of them are too small for long voyages. At the same time the average of these ships is larger than the ship in which Columbus crossed the ocean on his eventful voyage. If my hon. friend the Minister of Marine and Fisheries had been in power in the days of Ferdinand and Isabella, Columbus would never have been allowed to sail outside the straits of Gibraltar; he certainly would not have been allowed to cross the Atlantic. If I remember rightly, the Pinta was only 90 feet long and 25 feet wide, whereas many of these coasting vessels are of much larger dimensions and tonnage.

If there is a reason for maintaining this restriction in the statutes, I would like the Minister of Marine and Fisheries to give it to us. If there is no reason, I would suggest that he allow my Bill to become law. Time after time we engage in discussions in this House as to the necessity of more tonnage; my hon. friends from the West have made many appeals on that question; but it is an extraordinary thing that, while they are demanding more tonnage to carry our ever increasing trade, the Customs Department and the Department of Marine and Fisheries are driving our tonnage away from the Canadian flag to the ends of the earth because they will not give shipowners an opportunity to carry on their business free from needless restrictions. If this country is ever to become a great commercial country we must encourage our people to build and own ships to carry our products to the markets of the world. That is why I consider this matter important and why I have been persistent for the last four years or more in bringing it almost yearly to the attention of Parliament. I do not see why it should take four years to secure a reform of this kind. However, following the example of the Scotch spider I do not think that the resources of civilization are yet exhausted, and I intend to keep on until I get a hearing from this House. Now, as I said before, if there is any intelligent reason why this restriction should remain, it should be given to us. If not, the Minister of Marine and Fisheries should let my Bill have its second reading, so that the principle may be adopted. It is the easiest thing in the world for a minister to prevent a private member like myself from ever securing any legislation. I have waited for a month now in order to get a chance to move the second reading of this Bill, and by a mere accident I have had my opportunity to-night. The whole session, however, might have passed away without my getting even this chance. I have seen such things happen, and besides there are a hundred ways in which the Government can hamper the passing of this measure. The only way to ensure its enactment is to make it a Government measure. I desire to throw the responsibility on the Minister of Marine and Fisheries, as he is the one who is alone responsible. My proposal is that he accept this Bill as a Government measure, and place it on the Statute books of Canada and relieve once for all our coastwise shipping of this unjustifiable and useless restriction.

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

Mr. REID: The hon. member (Mr. Sinclair) has referred to me, in my capacity as Minister of Customs, as being really the one who understands the Shipping Act in connection with this Bill. Of course, the hon. gentleman knows that the Marine and Fisheries Department is the department that has to do with the making of the shipping laws. The Customs Department only administers the law after it has been passed by Parliament. I would not like to have this Bill passed without my hon. friend the Minister of Marine and Fisheries (Mr. Hazen) being present. I understood that it had been arranged that we should go on with the Estimates of the Department of the Interior to-night, and that is why the Minister of Marine and Fisheries, who had some other appointment, is not here. I would therefore ask the hon. member to allow the Bill to stand in committee until the minister is here.

Mr. GRAHAM: The suggestion of the hon. Minister of Customs seems to be quite reasonable. This, being a public Bill, unless the minister will say that there will

be an opportunity of discussing it on some future occasion, it would go to the bottom of the list, and there would be no opportunity of further dealing with it.

Mr. REID: There will be no trouble about that; I will see that there is an opportunity of discussing it.

Mr. GRAHAM: Then I think it is fair to accept the minister's suggestion, and ask that the committee rise and report progress.

Progress reported.

TRANSPORTATION OF GRAIN.

RAILWAY ACT AMENDMENT.

On motion of Hon. J. D. Reid (for the Minister of Railways), Bill No. 4, to amend the Railway Act, was read the second time, and the House went into committee thereon.

Mr. OLIVER: Would the minister, in a few words, give the committee, for the purposes of record, the object and scope of the Bill?

Mr. REID: The Chairman of the Railway Commission, Sir Henry Drayton, had been taking up with my hon. friend the Minister of Railways (Mr. Cochrane), a few days prior to Mr. Cochrane's departure from Ottawa, the question of trying to relieve the situation in the West in so far as the movement of grain is concerned. When I took charge of the department, I found a letter from Sir Henry Drayton to the minister. In this letter Sir Henry Drayton explains the situation in connection with the movement of grain in the West, and suggests the passage of a Bill similar to that which I have placed before the House. I believe the best way to explain this Bill to the committee is to read the letter which was sent by Sir Henry to the Minister of Railways. It is so complete, and, I believe, so interesting, that I think it should be placed on record. It reads:

Ottawa, February 18th, 1916.

Re Grain Crop.

Dear Mr. Cochrane;

The Railways have been faced with an exceedingly difficult problem in the transportation of the very large grain crop of the North West.

I make no complaint whatever as to the manner in which the railways have moved the crop during the past season. On the other hand, the movement was extremely good, surpassing all records. It is sufficient to say that from September 1st, 1915, to January 15th, 1916, the railways had transported no less than 53,920 cars of grain more than were hauled in marketing the large crop of 1913, and extending over the whole period required to market it.

[Mr. Graham.]

I fully realize the importance of the service to the public and the fact that the result could not have been obtained had not the railways been efficient and properly operated. While this is all true, however, the present condition is unsatisfactory and calls for some special remedy.

The Department of Trade and Commerce places the crop (all grains) in the Western Provinces at 723,664,000 bushels, as against 322,056,000 bushels for 1914, and 503,267,000 bushels for 1913. At a low estimate, 300,000,000 bushels remain to be carried; and unfortunately a comparatively large percentage of this total, as to which only an approximation can be made, is without proper protection.

The tremendous crop of this year is such that the elevator capacity of the country cannot commence to contain the balance of the crop, even in view of the fact that no less than 191,323 cars have already been transported up to the 15th of January last.

Temporary granaries have at different points been erected, but over and above the grain in elevators and in temporary granaries, there is a large amount of grain which has been left out all winter, either in stook or already threshed and covered with straw. This grain, while subject to danger of some deterioration, will largely be saved, provided it is moved before the spring rains set in.

The grain on the Grand Trunk Pacific has been largely marketed; and the Board has now no serious complaint of congestion on its lines. This, of itself, does not show any more efficient management on that system, as the crop tributary to this line is much smaller than the volume tributary to the Canadian Pacific and Canadian Northern Railways.

The Grand Trunk Pacific has moved approximately 15 per cent of the present crop, and they will be in a position in the near future to handle grain to a considerable extent that may be offered for transport.

The Grain Commission reports congestion on the following Canadian Pacific Railway Lines: Outlook Branch, north of Moose Jaw; Empress Branch; Vanguard Branch; South of Lethbridge. There is also complaint as to congestion on the Weyburn-Shaunavon Branch.

The Grand Trunk Pacific has moved approxition on the Canadian Northern Railway on the following lines: In the Goose Lake District; Moose Jaw-Gravelburg Branch; Saskatoon to Regina. And also state that outside of Manitoba every Canadian Northern point has grain which should be moved.

Again, in so far as delays in the movement which have occurred since the close of navigation are concerned, no complaint is made as against the railways. These delays were largely inevitable. Firstly, owing to the fact that, generally speaking, there was but comparatively little available storage in the East; secondly, that, owing to the war and the commandeering of boats, the supply of bottoms was limited; thirdly, because of the embargoes obtaining largely, and frequently absolutely, at all grain shipping sea ports; and fourthly, congestion of traffic, which was even more marked in the large American terminals than in our own winter ports. In addition to all this, weather conditions and the necessities of the coal movement would, in any event, have prevented any free or general movement of grain traffic.

The situation, however, as I see it, demands

that the ordinary traffic conditions must be departed from, in order to save a large portion of the crop, and the ordinary rules of traffic should be at least temporarily disregarded. The railways should co-operate closely with each other and move the crop as soon as possible, irrespective of the fact that traffic returns of the originating road may be diminished.

The crop on the Canadian Northern Lines has been very large. Notwithstanding the fact that that Company carried a large percentage of the grain already transported, perhaps 35 per cent, an estimate made by the Company of grain still to be marketed on its lines in the prairies amounted to 53,232,480 bushels, and in elevators adjacent to its system 36,000,000 bushels, making a total of 89,232,480 bushels to be hauled.

The Company has since reported that the total grain still in the farmers' hands and unmarketed amounts, according to its estimate on the 15th instant, to 32,844,000 bushels of wheat, and 15,402,000 bushels of other grain; so that the total grain still in the farmers' hands is reduced from 53,232,480 bushels to 48,246,000 bushels. The result is that the Canadian Northern has on or tributary to its system in the Prairie Provinces 84,246,000 bushels of last year's crop yet to be transported.

The congestion which the Grain Commission complain of as the worst in the country is on the Saskatoon-Drumheller, and De Lisle-Elrose lines, running through what is known as the Goose Lake District.

I should also say that a deputation from this district waited upon the Honourable Dr. Reid, when acting as Minister, and was referred by him to me, with the request that I would see that everything possible should be done to relieve the conditions there obtaining.

The Company advises that in this district and adjacent to its lines, there are 11,732,000 bushels of wheat and 1,945,000 bushels of other grain yet to be marketed, or a total of 13,677,000 bushels.

I take the situation here as illustrating the need of relief, again making no complaint against the Canadian Northern, but merely to illustrate the demands of the district and the necessities of the farmers, which are the more serious, in view of the fact that, generally speaking, there was a crop failure in this district last year.

These thirteen million odd bushels represent wheat which has not yet been carried to the elevator, much of which will be subject to damage, unless the grain is moved, as already stated, before the spring rains.

The figures as to grain storage in the district show 7,063,900 bushels, making a total of 20,740,900 bushels of grain to be handled in this district alone.

The matter has, of course, been carefully canvased by the Board with the Company, and the best service Mr. Spencer, the Board's Chief Operating Officer, was able to get the Company to say would or could be given to the district was 150 cars a day. In view of the conditions of operation on the line and the failure of the water supply, which has resulted to a large degree at least from excessive winter conditions, it is extremely doubtful whether the Company could possibly move this number of loads; but, assuming that the Company could load them and should commence this movement on the 1st of March next, which is probably the best that could be hoped for, owing to the fact that the line has only recently been opened after the winter storms, and that water conditions are still bad, it would take, if the movement was maintained, until the 15th of next July to market the crop; or, on the other hand, if the amount of grain in storage is deducted from the calculation and only the 13,677,000 bushels yet on the farmers' hands considered, the amount could only be moved by June 1st. This, of course, would be altogether too late to save unprotected grain.

The usual rule is that a company should be entitled to the traffic of its own lines, and to the business of that part of the country which it has opened up by its enterprise and the expenditure of its capital. This rule may be said to be of general application, applying, not only in Canada but also in the United States and in Great Britain. It is fair; but only fair, as it occurs to me, when the company can handle that traffic within a reasonable time. This rule gives the Canadian Northern the benefit of the long haul from the Goose Lake District to the Lake Elevators.

I am very free to admit that it would be foolish to expect the railways to move the whole crop in any given year before the close of navigation; and that, if it was so moved, it would probably be the worst thing that could happen for the farmers themselves, destroying to a large extent the value of their product by the consequent depression of the market price. On the other hand, any condition of transportation which results in the western farmer being unable to market his crop until the following June or July, is just as unreasonable.

The condition of the farmers in the Goose Lake district for example, to-day is that in so far as the 13,677,000 bushels of grain already referred to are concerned, they cannot market it, and owing to lack of storage facilities, for which of course the railway is not at all to blame, they will be unable to save a large percentage of it under the present transportation conditions.

It should be possible to increase the movement on this line by proper co-operation between the Canadian Northern and the Grand Trunk Pacific Railway Companies. The Railway Act does not enable the board to order this to be done; and I recommend that the Act be amended on the lines of the amendment now enclosed.

It is extremely doubtful that if the traffic moves under ordinary conditions the Canadian Northern will be able to look after more than 100 cars a day. It would appear, however, that if the maximum number of cars and engines were supplied and placed in service on the branch, and instead of being run through to eastern points, made delivery in the Saskatoon elevator, where weights and inspection can be obtained, and were then taken on by the Grand Trunk Pacific, the movement could be very greatly accelerated.

The grain should move at the present through rates, without additional expense to the farmer. The ordinary rate per mile which the rate from Saskatoon would make should be reduced and the through rate should be apportioned so that a greater mileage return should be given to the Canadian Northern, in order to make its shorter movement profitable. As the resultant business to the Grand Trunk Pacific would be largely found business, as it has idle engines and equipment, some reduction in the regular

rate would be fair to that company. Apart, however, from any railway concerned, but treating the matter merely in the public interest. this action or some similar action is necessary.

It well may be that, as the movement develops, similar joint traffic arrangements will be found necessary at other points, both on the Canadian Pacific and the Canadian Northern lines.

It is but fair to say that what I propose is an extension, and perhaps a radical one, of the joint traffic requirements companies are now subject to, owing to the fact that a single line route, reasonable and direct, has been already provided, and also that the movement, although by joint operation and subject to the additional handling charges entailed thereby, will nevertheless move at the ordinary rate in so far as the shipper is concerned. The fact that the single direct route is congested and unable to move the traffic, coupled with the exigencies of the situation, affords, however, as it occurs to me, an ample justification for the proposed action.

As to the urgency of the situation, there does not seem to be much room for argument; and, if in your view, that situation can be remedied on the lines proposed, might I suggest that the Bill be immediately introduced and its passage facilitated?

Yours faithfully,

H. L. Drayton.

The Honourable
The Minister of Railways and Canals,
Ottawa, Ont.

I thought it better to read that letter, as it is very full and very interesting. I do not think any further explanation is necessary. Sir Henry Drayton has asked me to submit the Bill to the House and ask the House to facilitate its passage. So I should like it to receive its third reading to-night in order that it may go to the Senate for action to-morrow.

9 p.m.

Mr. BUCHANAN: How many cars are being moved out on the Goose Lake line each day since the weather moderated.

Mr. REID: I do not know. I discussed the matter with Sir Henry Drayton a few day ago and the line was then in very bad shape, they were only getting it opened. I have here some photographs showing the conditions on that line which might interest my hon. friend.

Mr. BUCHANAN: I happened to be a member of a deputation from residents on parts of the Goose Lake line in Alberta, which waited on Sir Henry Drayton on this particular matter. I am inclined to think that the proposal will be of assistance in getting the grain out of that country. At the time the deputation waited on the Chairman of the Railway Commission, in the Acadia and Handhills legislative districts of Alberta, it was estimated that the crop was fourteen million bushels and that two million bushels had been moved out. As has been stated by the minister, a great deal of grain was stored in the fields and some of it was in temporary storage elevators in some of the towns; the elevators were all full, the side tracks were all filled with cars loaded with grain, and it was practically impossible to get that grain out of the country. Something has to be done. I would point out that the storage elevator at Calgary is very close to this particular district. It is true that to send the grain there would involve a back haul, but I understand that there is not a quarter of a million bushels of wheat in that elevator to-day, nor has there been at any time since it was opened last fall. It has a capacity of about two and a half million bushels, and it would be of great assistance if the grain could be stored there. Otherwise the grain will have to shipped east, and Saskatoon is one storage point and Moosejaw the other. Moosejaw cannot be reached by the Canadian Northern or any other line tributary to it, because once the grain goes east to Saskatoon it is past Moosejaw. Some effort might be made to carry the grain from the Goose Lake country to Calgary and place it there until the facilities at the head of the lakes are better than they are at present. The farmers in that district are suffering. They have their grain stored in temporary shelters, and if the spring opens inauspiciously they may lose two or three grades on grain stored in that way. Some exceptional effort will have to be made to get the grain out of the country.

Mr. OLIVER: The proposed arrangement involves storage of grain in either local elevators or the storage elevators. Does the shipper have to pay the elevator charges or do the railway companies absorb them?

Mr. REID: I have not discussed that point with Sir Henry Drayton. The intention of this Bill is to compel the Canadian Northern railway to put on a very large equipment on the lines in the Goose Lake district, say from Drumheller to Moosejaw, and keep cars rushing backwards and forwards between Saskatoon and that railway. The Grand Trunk Pacific will be ordered to take that grain from Saskatoon through to the upper lakes. If it was all left to be carried through by the Canadian Northern railway the movement would be very slow, and perhaps the line would be unable to do the work.

Mr. OLIVER: But who pays the storage; the railway company or the shipper?

Mr. REID: I understood from Sir Henry Drayton that, whatever the rate was from any point on the Drumheller section or any other point on the Canadian Northern railway from a point east of Drumheller on to Fort William, the farmer would pay the same rate even if the grain went through this elevator and right through to Fort William. That was the impression Sir Henry gave me, and I suppose the railways would have to absorb any charges in between. That was the impression the chairman of the commission gave me when we discussed the matter.

Mr. GRAHAM: I suppose that this Bill was suggested by the Chairman of the Railway Commission.

Mr. REID: Yes, he wrote the Bill.

Mr. GRAHAM: The word "board" undoubtedly means the Board of Railway Commissioners; it means their interpretation of the clauses of the Railway Act. This Bill enlarges the powers of the board.

Mr. REID: Yes.

Mr. GRAHAM: It enlarges the powers of the board to deal with special cases in which where one railway company is not able to handle the congested traffic, other railways can be asked to assist in the relief of that congestion; and the board is given the power to distribute the rates among the different railways.

Mr. REID Yes.

Mr. GRAHAM: It may be asked whether this could not have been done without an Act of Parliament, but I do not think it could, for the reason that the regular railway tariff as to mileage and hauls will be disturbed by this arrangement; that is to say, the rate on the short haul usually allowed will not be allowed under this arrangement, and the rate on the long haul may be changed to comply with the special conditions. Undoubtedly, the railway companies themselves could not get together and make a joint rate under those conditions, because the proposed arrangement disturbs their haul arrangement. This gives the board a power which it did not possess before, to step in and arrange the rates under these peculiar conditions. Neither the Chairman of the Railway Commission, nor any member of the board could do it without this Act.

Mr. REID: That is it exactly.

Mr. GRAHAM: I think that the letter to the Minister of Railways from the chairman of the board, who has studied the case closely, makes it desirable that we should facilitate this Bill so that it may go through the House and to the Upper Chamber and become law as soon as possible, because every day lost in the movement of the grain makes it much more serious for the farmer.

Mr. BUCHANAN: Was some arrangement not made by the Grain Commission as to a reduction in the storage rates for the grain? If grain was shipped say from the Goose Lake district and stored at Saskatoon, was it not arranged that a reduction should be made in the rate, if the grain could not be carried through to the head of the lakes? I saw an announcement to that effect in a western paper.

Mr. REID: The Grain Commission and Sir Henry Drayton dealt with this matter jointly, that is, as to the best way of removing the grain from the congested districts to Fort William. Sir Henry Drayton told me that the rate which the farmer would have to pay on his grain from any station in any congested district to Fort William would be the same, even if it had to be carried by two railways.

Mr. BUCHANAN: That is the rate on the railways?

Mr. REID: My hon. friend stated that he had noticed some item in a newspaper that the Grain Commission were making a reduction in the rates. I take it for granted that under this arrangement, made by the chairman of the Railway Commission and by the Grain Commission, there will be no increase in the rate from one point to the other.

Bill reported, read the third time, and passed.

SUPPLY.

The House in Committee of Supply, Mr. Rhodes in the Chair.

Government of the Yukon Territory, $353,000.

Mr. GRAHAM: Has it ever struck the minister that the expenses of the management of the Yukon Territory could be materially reduced?

Mr. ROCHE: That was very thoroughly discussed the other night.

Mr. GRAHAM: I did not have an opportunity of discussing it. The reason I ask is that I received a communication on this very point to-day from a gentleman who is not located in the Yukon, but who is evidently interested in it. It contained a lot of items, but I am not going to read them to the House. The point that struck me as being well worthy of consideration was his suggestion that several offices might be combined, one official doing the work of two or three. For instance, when one of the officials is out of the territory, as these officials often are, his duties are performed by some other official in the territory, and if the other official can perform those duties for four, or five, or six months, could some reduction not be made in the expenditure by doubling up on the work done, without, of course, overworking the officials? I am not given to criticising the work done by officials. When the population in the Yukon Territory was large it was proper that every dollar necessary should be expended in that part of the country, but at the present time the population is not nearly so large as it was, to put it mildly, and the gentleman I refer to is very strongly of the view that the expenses of the management of the Yukon Territory could be cut in two without overworking any official, or underpaying him. I did not hear the minister's view on that point.

Mr. ROCHE: I allowed the member for the Yukon (Mr. Thompson), who is much better acquainted with the local conditions than I am, to give an explanation the other night, and I will ask him again to explain. I understand that while the population of the Yukon has been materially reduced, the salaries have been materially reduced, and also the number of officials. We are not paying anything like the amount for salaries that we paid some years ago. I do not know that we can affect any great reduction in salaries by combining officials. I have not made any particular inquiry into that, but I have inquired as to the duties performed by the present officials and compared them with those performed during the past four or five years, and while the revenue has decreased somewhat I do not know that any great reduction could be effected by any reduction of the officers. I would like to hear what the hon. member for the Yukon has to say on this. He is probably more conversant with the details of work in the Yukon than I am. If there are any directions in which we can economise I am sure I shall be only too pleased to listen to suggestions.

Mr. GRAHAM: He is not strong for economy.

Mr. ALFRED THOMPSON: My hon. friend misjudges me, I am strong for economy. But my hon. friend will admit that it is possible to carry economy beyond the point where you get efficiency. We have really some difficult problems in governing the Yukon. It is an entirely different proposition from governing a province in the East, where things are settled and where the population is comparatively dense. In the Yukon the territory is great, but the population is small. With regard to the union of offices for the sake of greater economy, possibly some offices might be merged for that purpose. Speaking off-hand, I cannot think of one just at the moment. but it is a suggestion well worthy of the consideration of the Government. Of course my hon. friend knows it is easy to criticise, but he must remember that it is exceedingly difficult to govern a country as far away from the seat of government as is the Yukon from Ottawa. The Yukon is 4,500 miles from here, and 1,500 miles northwest of Vancouver. For seven months of the year, or at all events for six months, the Yukon is isolated; we are frozen in. After a few years in that country the men feel they need a change, and it has been the custom of the Government—not only of this Government, but the Government of which my hon. friend (Mr. Graham) was a distinguished member—to treat the Government officials in the Yukon generously in regard to vacations. The distances up there are so great that the time the average man in the East is allowed for a vacation would be consumed by a man travelling from Dawson to Ottawa say, and back again. So we have been in the habit of allowing the vacations to accumulate, and when a man has served a certain number of years in the country he is given a trip; sometimes the trips are extended, for, as I have said, both this Government and the late Government have treated the officials up there very generously. I have nothing but thanks for the way the late Government treated its servants in the Yukon. My hon. friend from Edmonton (Mr. Oliver), when Minister of the Interior, took a broad view of this question. He was a frontier man himself, and knew that after a man had been up in that country for some years he required a change. Of course, it may seem to some

who do not understand it, that there is too much vacation given to the officials of the Yukon, but when you consider that Dawson is in latitude 54° north and that at times the thermometer is 64 below, and sometimes lower, it must be admitted that the men deserve a change after working in that country for some years. We do not wish to add to the cost of Government by engaging other men to take their place while they are on vacation, and very often we merge the work between the different officials, particularly in the winter when things are more or less quiet. The summer is when we reap our harvest of gold. Last year we took out $4,500,000 to $5,000,000 in gold. While I am free to admit that the revenues are decreasing, yet like all mining men, we have great hopes. I noticed a despatch in the Ottawa Journal to-night saying that a new strike had been made at Rude Creek, and that the miners were petitioning for a better road. That road will cost about $500 to build, and it is items like that which add to the cost of Government. Let me impress upon the House that it is not Ontario, or Quebec, or Nova Scotia that we are governing. We are in the primeval wilderness, where you see nature in its rudest form; it is cold and inhospitable, the distances are great, and the rivers large. We have an adventurous population, which lives largely from the gold, and silver, the copper, and the coal that they dig out of the wilderness. Whenever a new mine of gold or silver, or copper, or coal is struck, the Government does everything it can to make it easy for the prospector to go to and from his base of supplies, and I am sure that policy will commend itself to hon. gentlemen in this House. That is one of the things that adds to the cost of administration in the Yukon. We have to have roads and trails. Sometimes a prospector will want to get to the head of one of the streams tributary to the Yukon, and it would seem the part of wisdom for the Government to encourage him to get there.

Mr. GRAHAM: And not tax him too heavily after he gets there.

Mr. THOMPSON: We have tried to make taxes as reasonable as possible. First of all, we try to give the miner security of title. When my hon. friend from Edmonton was Minister of the Interior, he put through this House a Bill which incorporated the regulations of that day into the Yukon Placer Mining Act, and from that time to the present every one in the Yukon has been satisfied as to the question of title to property. Millions of dollars have been invested in the mining industry in the Yukon because of the law passed by the hon. member for Edmonton when he was Minister of the Interior. When a miner goes out into the wilderness we want him to feel that the Government is behind him, so far as title is concerned. These men then go out into the hills and valleys, and sometimes find it difficult to get more than what they call their grubstake. In some cases the Government, feeling that it is in the interests not only of the Yukon but of Canada as a whole, has paid the way of these prospectors. If a group wanted to go to an outlying district, the Yukon Government would appropriate a few dollars to carry these men to that distant point. Then as regards mail service, we have had to subsidize some boats running on the tributaries to the Yukon, and it must be remembered that some of these tributaries are navigable for from 250 to 300 miles from their juction with the Yukon. The territory up there is vast, but I am sorry to say the population is sparse. We have not the population we had years ago, but it is a vigorous, a hardy and adventurous population, a population specifically and peculiarly fitted for a great territory like that. I venture to say that there is not an army in Europe to-day, and that Napoleon never led an army, that was better, physically and morally, than the army that crossed the White Pass and developed the gold mines of the Klondike in 1896. Many of those men and many of their children are still there. They have erected schools, and for the information of the House I might say that in the public school of Dawson we give the first year's course in the University of Toronto. We do not call it a High school or a Normal school, but the students can matriculate from it to McGill and Varsity. We could not do that without money; we could not do it unless the Federal treasury was behind us. The suggestion was made the other night that the Yukon should unite with British Columbia and I did not have an opportunity then to express my disapproval. I do so now in the name of the people of the Yukon, because our people have a destiny of their own. The Yukon territory, which comprises an area of 200,000 square miles, has produced in sixteen or seventeen years nearly $200,000,000 worth of gold, and its resources are so far barely scratched. The part that is developed is in the same

proportion to the whole territory as a postage stamp is to a post card, and we have huge areas that have never been trod under the foot of the white man. Why should we wish to be tacked on to British Columbia, particularly as we receive assistance from the Federal Government?

Mr. GRAHAM: That shows our humanity.

Mr. PUGSLEY: What officials are there in the Yukon who are paid out of the Dominion Treasury? I refer to the principal officials and their duties.

Mr. THOMPSON: That is a fairly large order.

Mr. PUGSLEY: Is there a public administrator there?

Mr. THOMPSON: Yes, Mr. John Black.

Mr. PUGSLEY: Is there a judge of probates there?

Mr. THOMPSON: We have one judge in the Yukon, Judge Macaulay, formerly of Belleville.

Mr. PUGSLEY: Only one?

Mr. THOMPSON: Yes.

Mr. PUGSLEY: Who acts as judge during his absence?

Mr. THOMPSON: A year ago Judge Macaulay, who had been in the territory for some years, asked the Minister of Justice for furlough, which was granted, and accordingly Judge Macaulay took his vacation. Mr. John Black was public administrator and, in the absence of Judge Macaulay, it was necessary for some one to act as interim judge. Mr. Black's name was submitted for the position, and he was nominated and filled the position of interim judge with great credit to himself.

Mr. PUGSLEY: Did he as judge have to do with appeals from the action or conduct of the public administrator?

Mr. THOMPSON: I do not think so.

Mr. PUGSLEY: I am told that he did.

Mr. THOMPSON: My hon. friend should verify that before asking his question; I know he wants to be fair.

Mr. PUGSLEY: Yes. Is it not true that an appeeal from the action of the public administrator necessarily goes to the judge, and, therefore, during the absence of Mr. Macaulay, did not Mr. Justice Black, who was a temporary justice, exercise jurisdiction over his own conduct as public administrator?

Mr. THOMPSON: If he did, this is the first news that I have had of it, and, knowing Mr. Black as I do, I do not believe that he would act in that capacity. I can hardly imagine a man acting as a judge to pass on his own judgments.

Mr. PUGSLEY: I was informed that conditions were in a very unsatisfactory state at that time by reason of Mr. Black's occupying three different positions, being public administrator, judge of the court, and I think, judge of the appellate court also.

Mr. THOMPSON: No.

Mr. PUGSLEY: Who was judge of the appellate court?

Mr. THOMPSON: We have no appellate court in the Yukon now. We used to have an appellate court, that is, we had a court en banc, composed of the three judges who were in the Yukon at that time; but as time went on, two of the judges were eventually retired leaving just one judge, and, of course, there could not then be any appellate court. There is an appeal from the Gold Commissioner to the sitting judge, but the appeal from the judge is to the Supreme Court of British Columbia. I am subject to correction on that, but I thing such is the case. At one time the appeal from the court en banc was to the Supreme Court at Ottawa, but I think now it is to the Supreme Court of British Columbia. My hon. friend from South Renfrew (Mr. Graham) is advocating that we merge certain offices, and this is an illustration of the criticism to which the Government is open when such a thing is done, although it was done for the purpose of economy.

Mr. PUGSLEY: You do not suggest that the office of public administrator should be merged with the position of judge?

Mr. THOMPSON: Not as a permanent thing but as an expedient. Of course, we could easily have paid some one else to do the work, but we were anticipating the criticism made by my hon. friend. I quite agree with my hon. friend that a man cannot sit in appeal on his own judgments.

Mr. PUGSLEY: During that period there was no other court to which he could go unless he went to himself.

Mr. THOMPSON: I do not know whether I am clear as to what the hon. gentleman means.

Mr. PUGSLEY: The criticism made to me was that Mr. John Black was public administrator, and that the Government appointed the same gentleman as judge of the court. All appeals from the actions or decisions of the public administrator must go to the judge. During that period he was both public administrator and judge. The people of the Yukon had no appeal from his decisions except to himself.

Mr. THOMPSON: Would my hon. friend say whether he was informed if there was a case in which an appeal was asked for, or might have been taken, or a case referred from this gentleman acting in one capacity to this gentleman acting in another?

Mr. PUGSLEY: I was told that people were debarred from an appeal which otherwise they would have had the right to make.

Mr. THOMPSON: That just shows how unfair some people are and how statements become at direct variance with the facts after travelling from the Yukon here. I know that my hon. friend has used the information as he has received it.

Mr. PUGSLEY: Exactly as I received it.

Mr. THOMPSON: Exactly, I am sure. But I do not know of any case where the public administrator was called upon to sit in judgment upon his own decision. It is so ridiculous that I cannot think of it seriously. Possibly it might have occurred but certainly it never occurred in the Yukon to my knowledge. I do not believe that Mr. Black would ever think of doing that.

Mr. PUGSLEY: Does not my hon. friend realize that when this Government appointed the public administrator to be judge of the court, which is the only court of appeal from the action of the public administrator, they did an improper thing because they were thereby debarring people from the opportunity of making an appeal except appealing simply from Caesar unto Caesar?

Mr. THOMPSON: That is a different thing. My hon. friend now says they were debarred from making an appeal. I understood him, when he was speaking before, to say that people wanted to appeal and could not appeal.

Mr. PUGSLEY: It debars them.

Mr. THOMPSON: That is in the abstract, but I submit that there is no specific case.

Mr. PUGSLEY: Perhaps not, but my information is that there has been such a case.

Mr. THOMPSON: I accept my hon. friend's statement, but I do not think there was a case of that kind. But, even so, it was only an interim appointment; Judge Macaulay was only out of the territory for five or six months and at the expiration of that time he returned and took his place on the bench, while Mr. Black, who had been acting as interim judge, stepped down and resumed his duties.

Mr. PUGSLEY: He did not give up his duties in the lower court while performing his duties in the higher court?

Mr. THOMPSON: In what capacity?

Mr. PUGSLEY: As administrator.

Mr. THOMPSON: That is not a court.

Mr. PUGSLEY: Yes it is.

Mr. THOMPSON: No, it was never so considered in the Yukon. I am sure that at one time the public administrator was not a lawyer at all.

Mr. PUGSLEY: To what court could any person who wanted to appeal from the public administrator apply for redress unless to the court over which the public administrator presided?

Mr. THOMPSON: I have no doubt that the procedure indicated by the hon. gentleman would be quite correct, and that an appeal would lie from the public administrator to the judge of the Territorial court.

Mr. PUGSLEY: While the public administrator was acting as judge of the court any appeal from his conduct as public administrator would necessarily have to be taken to himself as judge of the court.

Mr. THOMPSON: I admit that if there were appeals that would probably be the procedure, but I have never heard of a case being taken from the public administrator in the Yukon to the judge of the Territorial court. However, if there were such a case what would be the result? The man who had this fantastic grievance, if he had a grievance, would simply have to wait until Judge Macaulay returned. While we all understand the procedure in the court, what would my hon. friend think of this? He speaks of an appeal from a judge to the same judge. Judge Macaulay for years had been acting in the Yukon Territory as Police Court Magistrate, again meeting the argument advanced by the hon. member

for South Renfrew, and this was done while he was a minister of the Crown and for the purpose of effecting economy. While Mr. Macaulay was sitting as Supreme Court judge he was also acting as Police Magistrate. The culprit was apprehended by the Northwest Mounted Police, brought before Judge Macaulay, sitting as Police Magistrate, he had his preliminary trial before Judge Macaulay as Police Magistrate, he was committed for trial by Judge Macaulay as Police Magistrate, and then was tried by Judge Macaulay as judge of the Supreme Court.

Mr. PUGSLEY: Does not my hon. friend see the distinction between that and the case of a man who is handling the estate of widows and orphans, and from whose conduct as public administrator during that period, no appeal could be taken except to himself? It must also be remembered that the public administrator is in receipt of fees and commissions. From what this party told me it seems to be quite reprehensible that the Government should appoint a gentleman occupying a position of responsibility and trust in connection with estates to a position which would take away any right of appeal from his conduct as public administrator except to himself as judge of the court.

Mr. THOMPSON: The distinction is so great that I cannot imagine the two things from the same standpoint at all. In one case it is a matter of dollars and cents; in the other case it is a matter of life or death, and very frequently, a matter of personal liberty. In the one case, the man who came before the public administrator, only had to wait until the judge, in fact, returned which at the most, was a matter of six months. In the other case, there was no possibility of the man getting out of it. He was arrested by the police, committed by Mr. Macaulay as police magistrate and tried by Judge Macaulay as judge of the Supreme Court. The only appeal he had was to Judge Macaulay of the Supreme Court. How can you measure these two cases by the same standard? In that instance the Government did it, and I think they were right in doing it from the standpoint of economy. But, here is the milk in the cocoanut. You could meet my hon. friend's criticism by creating another official. But by not doing so, looking at it from the standpoint of economy, you save a little money, but I question whether it is good economy or not. Mr. Black to-day is acting in the capacity of judge of the Territorial court. Judge Macaulay has gone on a vacation. He had a murder case to try at Whitehorse, 400 miles from Dawson, just before the close of navigation. He came up to try that case, and, if my memory serves me right, navigation closed while he was there and he could not get back without going by the same line. While he was at Whitehorse he wired to his chief, the Minister of Justice, for permission to come out for a further vacation of three months. My hon. friend will appreciate the fact that the lawyers in the Yukon have their vacation in the winter time, when there is very little to do, instead of in the summer time when they are quite busy. Judge Macaulay wired for another furlough, and the Minister of Justice very kindly granted this to him. He is spending his winter at Belleville, Toronto and Montreal. Again, we had to have some one to act as interim judge, and we choose the man who acted with so much satisfaction before. I have never heard of any criticism in the whole of the Yukon Territory of the conduct of Mr. Black acting in his capacity as interim judge. Even his political opponents admitted that he made a good judge. My hon. friend knows him very well. He knows that he is a gentleman of long experience at the Bar and of considerable attainments. When Mr. Black acted before—the same applies to his present service—he did not receive one dollar by way of pay, although he adjudicated upon several intricate and important cases in the Yukon.

Mr. PUGSLEY: Then he was clerk of the court, public administrator, and judge?

Mr. THOMPSON: He not only was, but is now. He is considerable of a Pooh-Bah, but he is a good Pooh-Bah. I am anxious that my hon. friend should not overlook anything; I may mention that he is also legal adviser to the Yukon Council.

Mr. PUGSLEY: What does he get for that?

Mr. THOMPSON: $500.

Mr. PUGSLEY: What does he get as clerk of the court?

Mr. THOMPSON: I really do not know positively; about $7,000 a year, I think, altogether. The records show: salaries of the

Territorial Court sheriff, and clerk, $4,000 each.

Mr. PUGSLEY: Is he sheriff, also?

Mr. THOMPSON: No. We are great economists, but we do not think it wise to add the office of sheriff to his other duties.

Mr. C. A. WILSON: Is he sheriff, and then announcer, and then judge of preliminary inquiry, and then judge of the session, and then hangman; does he perform all these functions?

Mr. THOMPSON: He is not sheriff, or hangman, or jailer. There are many things that he is not.

Mr. WILSON: He is so many things that we have to find out what he is not.

Mr. THOMPSON: If the hon. gentleman had been more assiduous in his attendance upon this committee, he would have heard just what this gentleman is and just what he is not.

Mr. WILSON: I may tell the hon. gentleman that when the Yukon Territory was organized two judges were named, Mr. Dugas and Mr. Craig. The Supreme Court of Canada is, I understand, the Court of Appeal for the Yukon.

Mr. THOMPSON: No, the Court of Appeal is the Supreme Court of British Columbia.

Mr. WILSON: When Mr. Congdon was the Crown Prosecutor I had to defend the Yukon murderers, Labelle and Fournier, before the Supreme Court of Canada as the Court of Appeal of the Yukon Territory Am I right or wrong?

Mr. THOMPSON: Right.

Mr. WILSON: Since that time, has any change been made?

Mr. THOMPSON: Yes. I told the committee before my hon. friend came in, that at one time appeal lay from the Yukon court to the Supreme Court of Canada When the court en banc was abolished, appeal was taken to the Supreme Court of British Columbia, and that is where we have our appeal now. If litigants wish to cary their cases further, I suppose they can carry them to the Supreme Court of Canada. We have only one judge there now.

Mr. WILSON: I thought you had two judges.

Mr. THOMPSON: We had three judges, but we retired two. Mr. Black is interim judge while Judge Macaulay is on his vacation. Primarily his position is clerk of the court; he is also legal adviser to the Yukon Council and public administrator.

Mr. PUGSLEY: How much does he get for his services as public administrator?

Mr. THOMPSON: He is paid in fees; he gets five per cent of the estate.

Mr. PUGSLEY: To what court does the administrator apply for letters of administration, and to what court are his accounts submitted for examination and approval? Would it not be to the very court which he was appointed to preside over in Judge Macaulay's absence?

Mr. THOMPSON: I do not deny that. There is but one court in the Yukon, and if there were an appeal, it would have to go to that court.

Mr. PUGSLEY: That would be to himself, during the time that he was acting as judge. Does my hon. friend remember a case in which the judge, as police magistrate, tried a case in which he himself was a party?

Mr. THOMPSON: No, he never did anything of that kind. I defy any one to name a single case in which he sat in both capacities. I know my hon. friend wants to be fair, but he is wrongly informed. I say here on my responsibility as a member of the House that Mr. Black would not do that. My hon. friend would not do it, I would not do it.

Mr. C. A. WILSON: That is not the question; it is a question of jurisdiction, that is all.

Mr. THOMPSON: There is no question of jurisdiction, the jurisdiction is clear. He is acting in the three capacities at the present time.

Mr. WILSON: What capacities?

Mr. THOMPSON: Clerk of the territorial court, interim judge, and public administrator.

Mr. WILSON: I am sorry for these three offices.

Mr. THOMPSON: My hon. friend may be wasting his sorrow. I have not heard any sorrow expressed in the Yukon where he administers these estates and deals with these cases. The people there are satisfied; I have not heard a complaint. It is they

whose judgment should be taken in this matter. I admit that in normal times, with big revenues and a large population, this condition would not be permitted to exist; but the basic reason for this course is economy, which has been so strongly urged upon the Government by hon. gentlemen opposite.

Mr. C. A. WILSON: There is one thing I cannot understand. As a clerk, he would act for himself as a judge; and, being a judge, he would act for himself as a clerk. Then, being a clerk and a judge, he would act for himself as a clerk and as a judge as a court of appeal. We had something of the same kind in Montreal when Judge Sicotte was clerk of the peace and was acting as magistrate of the court of enquete and sitting as clerk of the court of King's bench on the criminal side. We objected very strongly to that. If you want to economize there are many other things in which it is possible to economize in the Yukon. The things which are important to the citizens are, first his life, then his liberty, and then his property. This man being a judge, and a clerk, and a sheriff, in the morning at 9 o'clock he would sit as a clerk, at 10 as a judge, and at 11 as sheriff—or hangman. That is what I object to.

Mr. PUGSLEY: My hon. friend seemed to think I was criticising the conduct of Mr. Black. I used to know Mr. Black in New Brunswick, and I should be very sorry to say anything as to his conduct since he has been in the Yukon. I have no reason to suppose that it has not been exemplary. What I complain of is the action of the Government in appointing a man to all these different positions. It would appear to me that Mr. Black was receiving a very large income indeed. He is
10 p.m. public administrator of the whole Yukon territory, and my hon. friend says he gets five per cent of all the estates which he administers as public administrator. This must bring him in a very large income indeed. Then he is clerk of the court, from which office he gets, my hon. friend says, $4,000 a year. He is advisor of the Yukon Council, from which my hon. friend says he gets $500 a year; and there was something else, what was it?

An hon. MEMBER: Hangman.

Mr. PUGSLEY: I should suppose that in all probability Mr. Black's income would reach the very large sum of $15,000 or $20,000 a year.

[Mr. Thompson.]

Mr. ALFRED THOMPSON: Oh, no.

Mr. PUGSLEY: Do not let my hon. friend make any mistake. There have been many wealthy people in the Yukon, and, despite the invigorating climate of that country, some of them must die, as in other parts of the world. My objection is to this man being the administrator of estates and also being the judge of the court before which these estates may be brought in litigation. Thus people are deprived of the right to bring the administration of these various estates before the court for proper judicial review. No Government should take a course that would deprive people of that right. The positions of clerk of the court and judge of the court are entirely inconsistent, and it is particularly absurd to say that one man in the Yukon, Mr. John Black, who, when in New Brunswick, was a most ardent Conservative, as I suppose he is still, should be made a perfect Pooh Bah and occupy all of these positions, to which considerable emoluments are attached. It is not only unjustifiable, but I say it is disgraceful that the Government should appoint one man to all these various positions.

Would this not be a good time for the minister to let us know what of these Estimates are to be actually expended and what are not? The Minister of Finance informed us that there were some $29,000,000 in these Estimates which the Government did not intend to expend during the coming year. The Minister of Finance pledged the good faith of the Government to this statement. We have been considering Estimates for a number of days, off and on, and so far we have had no statement from any minister as to what of the Estimates in his particular department are to be expended and what are not. The time has come, in my humble judgment, when this committee ought to be informed upon this point. We ought to know from the Minister of the Interior which of these amounts which he is asking for are to be expended. We have a right to assume that, before the Minister of Finance made the statement he did, the question had been considered in Council. It was a most important statement to make to the people of this country and to their representatives in Parliament. A very large amount is involved. I want it understood that the members of this House on both sides who do not occupy the treasury benches have a right to be informed upon this important question. I think it is only fair and reasonable that we should ask the Minister of the Interior to give us informa-

tion upon this point before we go on to consider these items. Surely the Minister of the Interior will be able to give to the committee that information as far as his department is concerned. I would ask my hon. friends on both sides of the House if we are asking for anything unreasonable when we make this demand. We are here representing the people, and are supposed to take, as we are desirous of taking, an intelligent view of these estimates, in order to judge whether or not we should vote the items. We have a right to know which of them are to be expended, and which are simply here upon paper and are not intended to be acted upon. Why does the Government bring these Estimates before us at all, unless they want our judgment upon them? We are not here simply to record the views of the Government; we are not here simply to hear the Deputy Speaker read out these items, and then to pass them without some intelligent idea as to whether or not they are required for the public services during the coming year. I appeal in the best spirit to my hon. friend the minister to inform the committee as to which of these items it is intended to expend and which it is not deemed necessary to expend for carrying on the public services in his department.

Mr. ALFRED THOMPSON: Perhaps I might be permitted to add a word.

Mr. PUGSLEY: Let the minister answer. My hon. friend might divert his attention.

Mr. THOMPSON: My hon. friend is not going to divert my attention.

Mr. PUGSLEY: I have asked the minister to reply.

Mr. THOMPSON: If the minister wishes—

Mr. PUGSLEY: Perhaps he does wish; I have a right to ask him to reply.

Mr. ROCHE: I do not know why the hon. member for St. John is putting up this sham fight.

Mr. PUGSLEY: It is no sham fight, as perhaps you will realize before we are through.

Mr. ROCHE: I have not refused to give any information that has been asked. I allowed the hon. member for the Yukon to reply to the question because, as my hon. friend realizes, he is much more conversant with the matters of that Territory than any other member of this House, and he can answer as to the local conditions better than I can. We are now on the item relating to the Government of the Yukon Territory. If my hon. friend had been present the other night he would have heard discussed many of the things we are talking of now. Are we going over these items and rehash them every time a member comes into the House, and waste the time of the House giving members information time and time again. If the hon. member for St. John wants an answer about these particular items, I may point out that they are divided into three:

Salaries and expenses connected with the administration of the Territory; grant to Local Council, and grant to Local Council for maintenace of and repairs to roads.

The first is the item we have been discussing; the two others are fixed items which are requisitioned by the local council. The expenditure is under their jurisdiction; we do not expend this money. We vote it to the council, and they expend it. They have spent more than we voted. Take the expenditure on roads. The item for last year was $100,000; they have expended $140,000. Then in salaries and expenses, the vote was $128,000 and out of that amount we expended $115,000. It is not possible at all times to have right down to a dollar the exact amount which we are going to spend. I do not think that the margin between $128,000 and $115,000 is very large. I have not refused to give any information, and I do not think I deserve a lecture which I have received from the hon. member for St. John.

Mr. PUGSLEY: The minister has been very fair, so far as those particular items are concerned. He speaks of my putting up a sham fight; what would he think would be a real fight? I am simply doing the best I can, as a member of this committee, to get information, and I would expect support from my hon. friend from Peel (Mr. Blain). When he was a member of the late Opposition he was very watchful; he was a perfect watchdog, and I would expect to have his co-operation. I am glad to see him here to-night, glad to see that he has come back. I appeal to my hon. friend from Peel to say whether I am not right. We must treat the Government as a whole. The Minister of Finance has informed Parliament and the country that although there are printed here in black and white numberless items, including the Estimates of my hon. friend, amounting altogether to the enormous sum of $189,000,000, it is the opinion of the Government that it will not be

necessary to expend $29,000,000 of that amount. I ask the Minister of the Interior in all sincerity if he thinks it is right to keep the members of this committee in the dark as to what the items are which, in the opinion of the Government, it will not be necessary to spend. I ask the minister whether he will not be good enough to tell us what items there are in his department, the expenditure of which will not be required. Then we will be able to help him along materially. I have seen the Opposition in this House do a great deal to facilitate the passing of Estimates, but we want to be treated fairly. I am not asking for anything but fair treatment when I ask this information to be given to the committee.

Mr. ALFRED THOMPSON: Perhaps I may now be permitted to refer to the discussion which preceded the remarks of my hon. friend, and to point out to the hon. member for St. John that in combining the offices to which he referred, the Government have followed the policy carried out by the late Government with great success, the object simply being to economize. The only estates of which Mr. Black acts as a public administrator, are estates in connection with which no will has been made, and they are not large estates.

Mr. PUGSLEY: Cases of intestacy.

Mr. THOMPSON: Yes. There are not very many of them, and they are very small. I would not undertake to say how many hundreds of dollars a year he gets, but it does not amount to anything like the sum my hon. friend mentioned. Furthermore, when he sits as judge, he does not act as clerk of the court; the sheriff acts as clerk of the court. But this whole matter can be easily arranged if my hon. friend wants it. It would be an easy matter to get a clerk of the court and a public administrator.

Mr. C. A. WILSON: It is about time the judge acted as his own clerk.

Mr. THOMPSON: He does not act as judge and clerk of the court at the same time.

Mr. PUGSLEY: He is the real clerk.

Mr. THOMPSON: I am not denying that. It is all a question of economy. We can get other men to do the work, if that is what is wanted, but we have been trying to meet the exigencies of the territory.

Mr. PUGSLEY: I think you could get two or three men to do the work at no greater cost than is involved in paying this one gentleman this enormous salary.

Mr. C. A. WILSON: Is there any official stenographer in the Yukon?

Mr. THOMPSON: Yes, George Craig and Harold Blackman; their salaries will be found in the Justice Estimates.

Mr. GRAHAM: When I suggested that some of the offices in the Yukon might be amalgamated, I had not in mind the offices that have been described by the hon. gentleman to-night. The minister got a bit cross with me for asking for some information with regard to the cost of the government of the Yukon Territory, but I think the information that has been given out to-night makes it clear that I did not make any mistake in asking my question. The minister himself says that he is asking for $13,000 more than he expects to spend.

Mr. ROCHE: That was last year.

Mr. GRAHAM: Well, surely my hon. friend is not going to spend more this year than last. Could he not cut this $13,000 out? That would take a little off the $29,000,000 that the Government does not expect to spend. The minister says that he has made a reduction from last year, but that does not affect the statement of the Minister of Finance that approximately $29,000,000 will have to be cut off these Estimates. We on this side of the House are doing all we can to back up the Minister of Finance in getting this reduction made, and I think the minister might make a start. The country should know just what the Government intends to spend. It is not fair to the country as a whole, nor to the taxpayer, to allow this $29,000,000 to stay in the Estimates, and it will militate against the borrowing power of the Government, because when the Government goes to the markets of the world, they will have to explain why they have expended $29,000,000 more than they should have expended, according to the Minister of Finance. It is not fair to the country, and it is not fair to the House for ministers not to intimate what items they do not intend to expend, nor is it meeting the wishes of the Finance Minister, who says that there are now in the Estimates $29,000,000 more than ministers should be allowed to expend.

Mr. ROCHE: I do not think the Minister of Finance had reference to the Interior when he stated that there were amounts in the Estimates which it was not intended to expend. When the Estimates were being made up, I gave instructions to have them prepared with a view to the strictest economy, and some that were submitted to me I sent back with the request that they be reduced if it could possibly be done without impairing the public service, and I received memoranda back from those in charge of the preparing of the Estimates to the effect that they had been prepared on the lines indicated, and they did not see how the Estimates could be reduced without impairing the public service. That, in short, is the position of the Department of the Interior. There have been certain reductions this year, but as regards the ensuing year I do not think there is any large amount at all in the Estimates that we could say for a certainty will not be expended.

Mr. PUGSLEY: Does the minister say that the Finance Minister made his statement to the House without the matter having first been brought before the council and carefully considered? Was council not informed how the $29,000,000 was made up?

Mr. ROCHE: I think the hon. member knows pretty well that when the Finance Minister made that statement, his attention was directed principally to those Estimates in the Public Works Department, which were re-votes, and in regard to which work would not be gone on with this year.

Mr. PUGSLEY: That accounts for only about $5,000,000.

Mr. C. A. WILSON: How many judges are there in the Yukon territory?

Mr. ALFRED THOMPSON: One judge.

Mr. C. A. WILSON: I see by page 32 that the judge gets a travelling allowance of $500, and a living allowance of $5,000. Then, as sheriff he gets $4,000, and $4,000 as clerk, which makes $13,500 altogether.

Mr. THOMPSON: The judge is not the clerk of the court. This item would be clearer if it were written out as follows: Salaries of the Territorial court officials, such as sheriff, clerk, etc. The judge does not get those salaries.

The CHAIRMAN: May I suggest that as we are not considering this item at all, it would be better to postpone this discussion until the Estimates of the Justice Department are up. It does seem to me that no useful purpose can be served by considering the Justice Estimates at this stage, and I therefore hope that the discussion from now on will be confined to the item under discussion, which is, the government of the Yukon Territory.

Mr. PUGSLEY: Perhaps the minister would explain how this $128,000 was expended last year.

Mr. ROCHE: It is found in detail on page K-162, vol. 1, of the Auditor General's Report.

Mr. PUGSLEY: I see the Hon. George Black gets a salary of $6,000, and a living allowance of $6,000. What relation is he to Mr. John Black?

Mr. THOMPSON: A nephew.

Mr. PUGSLEY: They have done pretty well.

Mr. THOMPSON: I am sure that my hon. friend is glad that fellow-countrymen of his are doing well.

Mr. PUGSLEY: They come from my own province, and I have nothing to say against them personally. Is there any account of the $125,000 grant to the Local Council?

Mr. ROCHE: At K-236 of the Auditor General's Report.

Mr. PUGSLEY: That gives simply the amount for salaries, but does not give the names of the employees. Is there any return showing the names and what amount each person gets? I want to know if Mr. Black got any more of the money; he has already received nearly $20,000. The names are not given on this page?

Mr. ROCHE: No.

Mr. THOMPSON: I think that is all Mr Black received.

Mr. PUGSLEY: Does not the minister require details showing the names?

Mr. ROCHE: No, I do not think any minister has ever done so.

Mr. PUGSLEY: And therefore this minister will not do so.

Mr. ROCHE: I think the Auditor General has satisfied himself as to the correctness of this item.

Mr. BOULAY: I would like to get some information from the minister as to the

number of employees in the Royal Northwest Mounted Police.

Mr. ROCHE: I am afraid it takes all my time to give accurately information in regard to my own department. I cannot meet the wishes of the hon. member for Laval in regard to the Department of Justice, and I am sorry to say I cannot meet the wishes of my hon. friend from Rimouski in regard to the Prime Minister's Department.

Scientific institutions—Astronomical surveys—Investigations and demarcations of the exterior boundaries of Canada, the triangulation, levelling and topographic work of the Geodetic Survey of Canada, and the Astronomical work of the Department of the Interior, including the expenses of the Dominion Astronomical Observatory at Ottawa and the branch therefrom at Saanich Hill, B.C., and $1,000 to W. F. King, as International Boundary Commissioner, $260,000.

Mr. PUGSLEY: Is this amount to be expended, and if so, why during the present conditions of affairs?

Mr. ROCHE: This is how this item is to be expended:

International Boundary Surveys—		
(a) Ontario Minnesota Boundary	$25,000 00	
(b) Boundary between Quebec and New Brunswick and the adjacent States	25,000 00	
(c) Boundaries generally, preparing and printing reports and maps	10,000 00	
		$60,000 00
Geodetic Survey of Canada		125,000 00
Field Astronomical and Magnetic work		10,000 00
Books, maps and photographic material		5,000 00
Instruments		15,000 00
General expenses at Head Office		40,000 00
Expense at Saanich Hill Observatotory		4,000 00
Payment to Dr. W. F. King as International Commissioner		1,000 00
Total		$260,000 00

Mr. C. A. WILSON: That could surely be left out in this time of war.

Mr. ROCHE: Seeing that we are at present engaged in the work, we should not have any break in it. We have our staff and we might as well keep them at work.

Mr. PUGSLEY: If they are all young men, perhaps they might want to enlist.

Mr. ROCHE: They are not all young men.

Mr. PUGSLEY: From the statement of the minister, here is an expenditure of

$260,000 which is not required during the coming year. It is not required half as much as the expenditure on public buildings, but it is proposed to keep men at work in investigations and demarcations of the exterior boundaries of Canada. Does this mean the provincial boundaries? How ridiculous it is that we should be now defining the boundaries of two provinces; although, I assume that as these are exterior boundaries, they must be the boundaries between Canada and the United States.

Mr. ROCHE: That is what they are.

Mr. PUGSLEY: Is there any necessity for that?

Mr. ROCHE: It is being done jointly with the United States.

Mr. PUGSLEY: That is very true, but the United States would not complain if, by reason of the conditions due to the war, this work was allowed to stand over. The minister should bear in mind that the Minister of Finance has felt himself obliged to come down with proposals for taxation which mean the imposition of very heavy burdens upon all the business interests of this country. The minister must be aware that, from the Atlantic to the Pacific, complaints are coming in to the Government, as they are coming to the private members of this House, that the proposed taxation is going to be very burdensome. Not only is the minister proposing to put taxation in the future upon the business interests of this country, but he is proposing to adopt a principle which has not been recognized as a correct one; he is proposing to pass retroactive legislation.

The CHAIRMAN: I must respectfully ask the hon. member to confine his remarks to the subject under discussion. I cannot see any connection between retroactive legislation and an item of $291,000 for scientific institutions for the Department of the Interior. I hope my hon. friend will try to confine his remarks to the item under consideration.

Mr. PUGSLEY: Mr. Chairman, I am sure that you would not be unduly narrow in your rulings in regard to this question. I do not want to question your ruling, but I see the error of it and the difficulties into which we would be led if it should prevail. It would mean that I could not point out the reasons why the Government at this time should not ask for this large vote of $260,000. What reason can I advance?

Is not the financial position of the country the very strongest reasons which a member of this committee could urge against the voting of this large sum of money? Is not the fact that the Minister of Finance comes down and tells us that he cannot get along without imposing heavy burdens upon the business interests of the country, and not only imposing them for the future but taking them out of the pockets of those who have been carrying on these industries in the past year and a half, and thereby imposing retroactive legislation? Surely, Mr. Chairman, you do not mean that I cannot give the reasons—

The CHAIRMAN: I must point out to the hon. member that his remarks might be very proper in the Committee of Ways and Means, but this is the Committee of Supply and the rule is very clear that the discussion must be confined to the item under consideration.

Mr. PUGSLEY: Then, I move that this item be struck out, and I will proceed to give my reasons, which I think will convince the committee that it ought to be struck out. You, Mr. Chairman, speak of the difference between the Committee of Supply and the Committee of Ways and Means. How can you vote Supply until you know that you will have the means to pay the money you vote? How can the Government ask the committee to vote $260,000 unless they are going to state to the House the means by which they will raise that money? The two committees of Ways and Means and of Supply are indissolubly connected. Before the Government come and ask this House to vote any sum of money it ought to be in a position to say what it wants the money for. How is it proposed to raise this money to pay this $260,000, which is a part of the $189,000,000 which it is proposed to raise? The Minister of Finance, when he lays his Estimates, amounting to $189,000,000, on the Table, said: " we want a vast sum of money and how are we going to raise it? I am going to ask this House to raise it by imposing taxes upon the business interests of this country among other things; we are going to raise it out of customs, excise, and from other sources, but by reason of the vast amount of money which we want for the ordinary services of the country we intend to impose this taxation upon the business interests of the country." I could not present to this committee any stronger argument in favour of striking this item out than by mentioning this fact. Where is the necessity for it? I could understand that if there was an abounding revenue we might indulge in this unnecessary expenditure; we might go on with our investigations and demarcations of the exterior boundaries of Canada; we might even take up triangulation, levelling, topographical work, geodetic surveys and astronomical work. We might do all that if we had the money to spend, but when there is distress all over this country, when people are contributing of their means for patriotic work and when the Minister of Finance comes down and demands that this extra burden of taxation shall be imposed upon the people, it is not a time to expend a vast amount of money which is not necessary. I appeal to every member of this House, as to whether I am not right in that. You may say that this is only $260,000, but, after all, this forms a part of the vast sum which the Government are calling upon Parliament to vote. The Government have not the money to warrant them in expending this sum and in order to obtain this money, which is a part of the vast millions which they are demanding from the people, they are proposing to impose the extra taxation.

Mr. C. A. WILSON: Where is Canada after all? Do we not know yet? Notwithstanding the Treaty of Paris of 1763, we do not know the boundaries of our own country. We require a triangulation, an investigation and a demarcation to ascertain the exterior boundaries of Canada. It seems to me that we are quite behind the time. The hon. member for Yukon (Mr. Thompson) was talking about the Alaskan boundary a few moments ago and now we have to spend $260,000 to find out the boundaries of our own home. I am perfectly sincere in what I am going to say. If this item refers to the salaries of the men who are employed in this work, I am willing to vote for the payment of salaries because I do not want to deprive any man of his salary. He is accustomed to receiving his salary; he has based his system of living upon it. But why should we spend a large sum of money to find out whether Mount Stephen is 5,000 feet or 3,800 feet above the level of the sea? We know what lake Superior is; we know what the prairies are; we know what the Rockies are; why should we spend a large sum in finding out whether Mount Washington is a few feet less than a certain

number of feet above the level of the sea? When we are spending a million and a half every day on the war, why should we spend a quarter of a million dollars to find out whether the ice at Glacier is colder than the ice at lake Louise? I read a few of the items:

Investigations and demarcations of the interior boundaries of Canada.

We are living in peace with our neighbours in the United States; could we not postpone this expenditure while the war lasts?

Geodetic Survey of Canada.

I suppose we shall have to find out how many cubic feet of water flow daily over Niagara Falls; possibly $25,000 would cover that. We shall have to find out also whether the level of the sea has increased or decreased.

Astronomical work. Department of the Interior.

It will be necessary to ascertain, I suppose, when Venus or Mars will meet the Sun. I agree that those employed by the department should be paid their salaries, but no other expenditure should be made.

Mr. OLIVER: What portion of the International Boundary Survey is included in this item?

Mr. ROCHE: The Ontario-Minnesota boundary, and the boundary between Quebec and New Brunswick, and the adjacent states.

Mr. OLIVER: Surely there cannot be much of this international boundary incomplete; the work has been going on for many years. So far as this vote is required by reason of an agreement with the United States, it is my view that it would be unwise not to provide the money necessary to carry out that agreement. Would the minister say whether the work proposed to be done is called for by agreement with the United States?

Mr. ROCHE: Yes, by article 5 of the treaty of 1908. The commissioner in charge of the matter in the United States is providing a vote to carry on their portion of the work, upon the understanding that we carry on ours.

Mr. C. A. WILSON: We are friendly with the United States; is there no way by which we could communicate with President Wilson or members of the United States Government, with a view to postponing this expenditure of $260,000? One cannot walk on the streets of Ottawa, Quebec or Montreal without being appealed to in some form or other, for funds for war purposes. I am giving as much as I can, and you are giving just as much as you can. Are we going to spend $260,000 to secure the delimitation of the boundary between this country and the United States? By all means let us live up to our obligations under the treaty mentioned. But I suggest that hon. gentlemen opposite would be rendering a great service to their country if they could save a quarter of a million dollars by suspending this expenditure for the present. I would feel disposed to give it to the Minister of Militia for the purpose of serving the Empire and our country.

Mr. ROCHE: This $260,000 is not all appropriated for the delimitation of the boundary between the United States and Canada. Only $25,000 is for that purpose.

Mr. WILSON: Save that.

Mr. BOIVIN: Save the rest; save it all.

Mr. ROCHE: If the suggestion of the hon. member for St. John were adopted, the result would be just the condition of affairs that the hon. member for Laval would deplore. $40,000 of this vote is for salaries of officials, who would be deprived of this amount if the vote were eliminated. Parties are prepared to go out in the spring on this work; their salaries also would be sacrificed. I think it would be very ill-judged action on our part if we were to adopt the motion of the hon. member for St. John. As the hon. ex-Minister of the Interior justly states, we are carrying out our agreement with the United States in finishing this Ontario-Minnesota boundary line. I believe there are about 120 miles yet to be marked out.

Mr. PUGSLEY: The minister says it will cost $25,000.

Mr. ROCHE: For the Ontario-Minnesota boundary.

Mr. PUGSLEY: How is the $235,000 to be expended?

Mr. ROCHE: I read all of that a few moments ago. The Ontario-Minnesota boundary, $25,000; the Quebec-New Brunswick and adjacent states boundary, $25,000; boundaries generally, drafting, printing,

etc., $10,000; geodetic survey, astronomical work, general expenses, etc.—

Mr. PUGSLEY: How much is the geodetic survey?

Mr. ROCHE: It is $125,000.

Mr. PUGSLEY: What is that survey?

Mr. ROCHE: It is somewhat scientific, and I think that the work done under this vote is not less for the Interior Department than for some other departments, including the Public Works and Militia Departments.

Mr. PUGSLEY: I was Minister of Public Works, and I never was able to see where it was of the slightest advantage to that department. I never utilized it and never could see how it could be of any advantage.

Mr. ROCHE: I am informed by the officer in charge that it is for the purpose of accurately determining points which will serve as bases for surveys of all kinds. The triangulation is to be continued. The precise levels are being determined in various parts of the Dominion. The total mileage of levelling to-day is 9,000 miles.

Mr. OLIVER: How does the vote for this year and last year compare with those of the past four or five years? Has it been increasing or decreasing during a period of say five or six years?

Mr. ROCHE: There was a considerable decrease, I understand, last year, and the vote is exactly the same this year.

Mr. CARVELL: It seems to me the minister has struck the crux of the question when he says that it would necessitate the disbanding of some of our parties and that men would be thrown out of employment if this vote were reduced. Why should they not be thrown out of employment at a time when individuals and communities are saving every dollar they can to carry on the war? Why then should the Government spend money on things that are absolutely useless? We know how these things are done. They have a number of officials and the minister says: We must keep these men employed. They have a lot of men employed on these surveys, and it simply serves to keep them going during the summer. Why should not these men devote their time to something else, go to work and
11 p.m. really earn some money? Many of these men are ordinary labourers, or young men going through college, and in order to keep up the supply of money for these people, this enormous sum is being paid. This Government does not realize for a moment that the country is at war and that immense sacrifices are being made. As long as they can borrow money by millions, they say the country is prosperous, and that they will keep this army of officials in employment. It has been pointed out that there are 11,000 or 12,000 more people in the employment of the Government to-day than there were four or five years ago. In order to keep these 11,000 useless employees of the country going along at high salaries, the Government says: if we do not vote this money we cannot keep our people going. The minister says it is necesary to spend $25,000 this year in order to delimit the boundary between New Brunswick and Quebec, and the neighbouring states. So far as the New Brunswick-Maine boundary is concerned, that was settled in 1842. The lines were then run out and, many years ago, this Government, in conjunction with the United States Government, surveyed it, and they have had party after party going over the country the last five years making re-surveys. The part of the boundary which is on land is marked by concrete posts which are in sight of each other, and on the lower and upper parts of the line, where the boundary is the St. Croix and St. John rivers, the boundary posts are set up on the shore in such a way that at any turn in the river engineers can determine from these posts, within six inches, the exact location of the line in the middle of the river. I am thoroughly familiar with the situation there and to spend money to delimit that boundary at this day is simply throwing away that amount of money.

Mr. WILSON: This $25,000 would keep 25,000 soldiers for a day.

Mr. CARVELL: If the rest of the work, between Minnesota and Ontario, is of the same character, and I suppose it is, as that between New Brunswick and Maine, the money there is simply being thrown away too. The geodetic survey might be of some use to scientific men in later years, but what use can it be to the people of Canada to-day? As I understand, it is a scientific process by which certain base marks are provided, and engineers or surveyors can go by them and by testing out can see whether their instruments are absolutely accurate and whether the levels of the water are correct to the tenth of an inch. That may be interesting from a

scientific standpoint, but of what use is it to the people of Canada to-day when every man, every woman, and every child are depriving themselves of the real necessities of life in order to raise money to carry on the war? If there is a vote which has been proposed by the Government during this session that ought to be struck out—I was going to say root and branch, but perhaps a few dollars should be retained to carry out treaty obligations—this is the vote. The minister, I hope, will take this into consideration, and if he cannot stop all of this expenditure, let him at least stop most of it and try to save $200,000 of this useless waste of money for surveys that have been completed and that are only kept up in order to provide salaries for a lot of political friends of the Administration.

Mr. OLIVER: I am very anxious to see that the obligations of the country are carried out, especially in regard to the boundary, but I must say that I was very strongly under the impression, like the hon. member for Carleton, that the boundary survey, as required under the treaty arrangements with the United States, had been completed some time ago. If it was not it seems to me that that would be a point on which to make the criticism that there has been undue delay in the administration of my hon. friend, because, when I left office, I am sure the work had progressed so far towards completion that, at the same rate, it should have been completed before now. If this proposed survey is merely something in addition, something that is not absolutely called for by our treaty arrangements with the United States, I agree entirely with what the hon. member for Carleton has said.

Mr. ROCHE: Since there has been so much objection on the part of hon. gentlemen opposite, I am willing to let the item stand for further consideration. My information is that the particular item referred to, the survey of the boundary line between the United States and those provinces is the result of the treaty, and it has not been completed. It is work that has been progressing since before this Government came into power, and it did not receive any opposition when my hon. friends were in office.

Mr. PUGSLEY: Things were different then.

Mr. ROCHE: Yes, there was another government in power.

[Mr. Carvell.]

Mr. PUGSLEY: There was no war.

Mr. CARVELL: And the work was not finished then.

Mr. ROCHE: I thought it only right that we should continue the work and complete it, but if hon. members desire this item to stand I shall offer no objection.

Mr. OLIVER: While the geodetic survey may be an entirely desirable means of information when we have the money to spare, it is a fact that at the present time money is required not only for war purposes, but also for the development of necessary enterprises in which this country is now very heavily engaged. I am bound to agree that under these circumstances the work of the geodetic survey might be suspended for a period.

Mr. PUGSLEY: Before this matter is disposed of, I would like to call the attention of the minister to the fact that from his statement there would be at the very most $50,000 in regard to which there would be any possibility of an implied obligation to the United States to complete the survey. That reduces by $210,000 the amount which it seems to me it is necessary to expend at the present time.

Mr. ROCHE: What about the $40,000 for the head office?

Mr. PUGSLEY: I do not understand that any gentlemen are engaged in this work at the head office but those who have permanent employment. Take Dr. King; he is a very eminent scientist, but he is employed at the head office at other work. He is the chief of the Astronomical Observatory, and so with others. There is a good deal in what my hon. friend from Carleton said that in connection with this work young men, students of the universities, are employed temporarily. Every young man to-day who is able and willing to work can get employment of various kinds. Then we know there are a great many men in the service who are enlisting, and the men who are permanently on the staff might very well be engaged to replace those who have enlisted instead of bringing in new men. I think the minister should reduce this vote by $210,000 at least, and on the understanding that he will give us a statement as to how he proposes to expend this money I shall withdraw my motion and let the item stand. The minister must not think for a single moment that we are raising these objections

from any narrow standpoint. We have a duty to perform, and that duty is to point out, if we can, to the minister that, in respect to various items which come up for consideration in the Estimates, the expenditure is not required in the public interest, particularly at this time when the war is on, and in view of the enormous taxation which it is proposed to impose on the people. We are trying to discharge our duty; we hope to do it firmly, and with some degree of intelligence, but we must do it persistently, and we must not allow these items to go through as a matter of course. I should just like to say to my hon. friend the Minister of Public Works who is leading the House that the work of the Government would be greatly facilitated if they would make up a list of the items comprising the $29,000,000 or $30,000,000 contained in these Estimates, which the Minister of Finance guaranteed to Parliament and to the country will not be expended because they are not required for the public services. To-night we are to a large extent in the dark. We do not want to obstruct the estimates of any minister; we want to facilitate their passage, but we also want to have the consciousness that we have done our duty, and, so far as we can, prevented the passing of unnecessary Estimates. If this information were given to us, it would greatly facilitate our work, and, I am sure, the work of the Government. With that understanding, I will withdraw my motion and the item can stand.

Item stands.

Progress reported.

On motion of Mr. Rogers, the House adjourned at 11.17 p.m.

Thursday, March 2, 1916.

The House met at Three o'clock, the Speaker in the Chair.

CANADIAN RED CROSS SOCIETY.

AMENDING BILL.

Sir ROBERT BORDEN (Prime Minister) moved for leave to introduce Bill No. 48, to amend an Act to incorporate the Canadian Red Cross Society. He said: I was asked to introduce this Bill by the executive of the society, as the result of a communication received by them to that effect from Sir John Gibson. There was some difficulty about the notice, and there was also a desire to avoid all unnecessary expense in the way of publication. The purpose of the Bill is to increase the number of members on the council and on the executive committee. Mr. Sweny, Chairman of the Council, explains the purpose of the Bill in this way:

> The limitations of the members of the Council and Executive Committee as laid down in the original charter have been found not to work so well from the difficulty experienced at certain seasons of the year providing for a quorum at the meetings called by the Council and Executive Committee. In addition, representations have been made that the western provinces of the Dominion have not been adequately represented. Some idea may be formed by you of the great extension which has taken place in the society's operations by the simple statement that there are now in addition to the provincial branches some five hundred branches and probably double that number of auxiliary societies all working in the cause. It is important that as many members of the council as possible should be chosen from leading people in the several provinces in order that their influence may be widely exerted.

Motion agreed to, and Bill read the first time.

Sir WILFRID LAURIER: This is really a private Bill?

Sir ROBERT BORDEN: Yes.

Sir WILFRID LAURIER: All the requirements have not been fully complied with, but I suppose no interest can suffer on that account, the society being one of a purely benevolent character. Does my right hon. friend intend to send the Bill to the Committee on Standing Orders?

Sir ROBERT BORDEN: I had not thought of sending it to a committee at all, but I have no objection to sending it to the Committee on Standing Orders.

Sir WILFRID LAURIER: It would be better to send it to a committee to see that no private interests are affected.

Sir ROBERT BORDEN: I have no objection whatever to that course. We will send it after the second reading.

Sir WILFRID LAURIER: Yes.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

LIEUT. COLONEL ONESIPHORE TALBOT.

Mr. LAVALLEE:

1. Is the Government aware that Lieut. Colonel Onesiphore Talbot is said to be carrying on recruiting in the county of Bellechasse?
2. For what regiment is he doing such recruiting, if at all?

3. What salary is attached to his duties as recruiting officer, and what sums to date, have been paid to him as salary, outlays, travelling expenses, etc.?

4. How many soldiers have been enlisted in the county of Bellechasse since Lieutenant Colonel Talbot is said to have been acting as recruiting officer?

Sir SAM HUGHES:

1. Yes.

2. He is doing organization work re recruiting in Military District No. 5, pending his taking over his duties as second in command of the 171st Overseas Battalion.

3. Salary of his rank, $7.75 per diem. Paid to date: Salary, $356.50; travelling expenses, $109.50; total, $466.

4. This officer, while employed in general recruiting, was more especially detailed to organize meetings for the purpose of educating the people in the necessity of responding to the call for recruits. Only one recruit has been so far enlisted in Bellechasse county, although it is understood that a number from the county have been enlisted elsewhere, but it is hoped that the campaign of education will materially assist us when recruiting officers are sent into this county. Lieut.-Colonel Talbot has held meetings in the following parishes, which were attended at least by 300 people, and, in many instances, by as many as 700 people: St. Raphael and St. Nerée, St. Gervais, St. Charles, St. Michel, St. Valier, St. Gabriel de la Durantaye, Beaumont, St. Paul and St. Philemon, Montmagny (2 meetings), Cap St. Ignace, L'Islet and St. Eugène, St. Jean and St. Aubert, Ste. Louise, St. Roch and St. Damase, Armagh and Buckland, Ste. Euphrem and Notre Dame du Rosaire.

WAR SUPPLIES—HORSES.

Mr. KAY:

1. How many horses for military purposes has the Government on hand at present in Canada?

2. Where are they being kept?

3. Is it the intention of the Government to buy any more horses for military purposes during the present summer?

4. Has the Canadian Government purchased any horses for military purposes outside Canada? If so, where?

Sir SAM HUGHES:

1. 1,769 horses.

1st Division: London, 37; Guelph, 70; Woodstock, 5; Chatham, 1; Stratford, 1; Galt, 1; total, 115.

2nd Division: Toronto, 270; St. Catharines, 58; Welland, 8; Niagara Falls, 8; Barrie, 8; Orillia, 8; Brantford, 50; Collingwood, 8; Oshawa, 8; Sault Ste. Marie, 8; total, 434.

3rd Division: Kingston, 251; Ottawa, 90; total, 341.

4th Division: Montreal, 24; St. Dominique, 22; total, 46.

5th Division: Quebec, 67.

6th Division: Halifax, 39; Fredericton, 59; Sussex, 6; Woodstock, N.B., 1; Charlottetown, P.E.I., 4; Chatham, N.B., 2; Truro, 4; Canso, 4; Sydney, 2; North Sydney, 2; Sackville, 2; Glace Bay, 1; Pictou, 1; Newcastle, 1; Campbellton, 1; Bathurst, 1; total, 130.

M. D. No. 10: Winnipeg, 328; Port Arthur, 1; Portage la Prairie, 29; Saskatoon, 8; Regina, 10; Brandon, 8; total, 384.

M. D. No. 11: Victoria, 41; Vernon, 19; Kamloops, 6; Fernie, 5; Vancouver, 28; New Westminster, 13; total, 112.

M. D. No. 13: Edmonton, 25; Medicine Hat, 13; Lethbridge, 3; Calgary, 99; total, 140. Grand total, 1,769.

3. No.

4. No.

POLITICAL PATRONAGE.

Mr. MACDONALD:

1. In what departments of the Government is a patronage list maintained?

2. In what departments of the Government is no patronage list kept?

Mr. BLONDIN:

1. Wherever in any department there is occasion to make comparatively small and incidental purchases in respect of which the usual practice of securing the same by advertising for tenders would be disproportionately expensive and hence impracticable, the names of reliable persons or firms from whom the same may be conveniently procured, having regard to the place where such supplies are needed, must necessarily be obtained; but the patronage system as it was practised before the general elections of 1911 is not carried out by the present Administration. The tender system is rigidly adhered to by all departments except in cases where it would mean waste of money. The purchase of all supplies for war purposes is under the War Purchasing Commission, which calls for tenders in every case where it is practicable.

2. Answered by No. 1.

Mr. MACDONALD:

1. Is it the intention of the Government to carry out the statement made by Sir George E. Foster, as set out on page 949 of Hansard, as follows: "I wish now that I might speak from the heart out, and make an agreement in this country between both parties that hereafter

patronage shall not be applied by political parties in the construction of our public works."

2. Does the Government intend submitting to this House a definite proposal, by which means the evils of patronage may be done away with?

3. If not, what action does the Government propose to take in the way of doing away with the patronage evil?

Mr. BLONDIN:

1. Public works are constructed by tender and contract except in occasional urgent cases where for reasons of public interest it is deemed advisable under the authority of the Governor in Council to proceed otherwise. It is not deemed wise to depart from this sound principle of public policy. The Government have ceased to undertake any new works since the commencement of the war, and during the continuance of the war they propose to commence none except in cases of extreme urgency. When any new public works may hereafter be started the Government will not use or introduce the system of patronage, but will continue the system of tender and contract. Consequently the suggested agreement is not necessary so far as they are concerned; although they would welcome the adherence of the Opposition to the same policy.

2. and 3. Answered by No. 1.

MR. BECKLES WILLSON.

*Mr. PROULX:

1. Referring to an item in the Ottawa Citizen of January 29, 1916, as follows:

"Mr. Beckles Willson, of Windsor, N.S., the biographer of Lord Strathcona, has been selected by the Minister of Militia to assist Sir Max Aitken in compiling the records of the Canadian forces in the war."

2. Is the statement therein contained correct? If so, what is the date and terms of Mr. Willson's engagement?

3. Did Mr. Willson agree to expunge the Hutton letter from a new edition of his Strathcona biography? If so, what was the date of such agreement?

Sir SAM HUGHES:

1. Yes, Mr. Beckles Willson of Windsor, N.S., was appointed assistant to Sir Max Aitken, general representative for Canada at the front.

2. He was granted the honorary rank of major in the Canadian Militia and in the Canadian Expeditionary Force, with effect from the 31st January, 1916, and was graded as a general staff officer, 1st grade.

3. No.

PIERCE ARROW MOTOR CAR PURCHASE.

Mr. CARVELL:

1. When was the Pierce Arrow motor car purchased, referred to on page S. 168, Vol. 11, of the Auditor General's Report, 1915, at a cost of $7,003?

2. Who ordered the purchase?

3. For what purpose is said car being used?

Mr. CASGRAIN:

1. The Pierce Arrow motor car was purchased on the 27th day of March, 1915, at a cost of $6,750. (The difference between this amount and the amount mentioned in the question is for accessories.)

2. The Postmaster General, after receiving a report from the Chief Post Office Superintendent, Eastern Division, as to the necessity of the purchase.

3. In July, 1910, owing to the great expansion of the city of Montreal, and the necessity for supervising efficiently and with despatch the many sub-offices and postal stations which came under the direct supervision of the Montreal post office, it was found necessary to purchase an automobile for the use of the Post Office Department in Montreal. During the last few years several new postal stations have been opened in Montreal. These postal stations consist of branch offices operated in exactly the same manner as the Montreal head office, the majority of which in themselves are each as large as an ordinary city post office. The accumulation of work resulting from this steady increase has been so great that in order to overcome the great amount of postal work, it is an absolute necessity that the Post Office Department should have the use of an automobile which they could obtain at a moment's notice, in order that they may follow up inquiries and investigations which call for immediate attention and keep their postal stations and sub-offices under close supervision.

At the present time, there are seventeen postal stations in different parts of the city of Montreal as well as nearly 100 sub-post offices, all of which are under the direct supervision of the officers of the Montreal head office, and some of which are sixteen miles apart, as the Montreal post office district now covers an area extending from Summerlea, west of Lachine to Longue Pointe, and from the River St. Lawrence to Rivière des Prairies.

A great bulk of the work transacted in that district is of a transient nature. The whole British mail is sorted at the Montreal head office, and is subsequently distributed from that office. The majority of investigations and inquiries in connection with the British mail have, therefore, to be made at the head office in Montreal and the various postal stations. These investigations, which take place from time to

time, are very numerous and it is absolutely necessary that the same be followed up without delay, as, unless immediate action is taken directly a loss is discovered, it is almost impossible to trace any missing mail. These remarks apply particularly to the registered part of the British mail, which is always very heavy. In this particular class of work, despatch is the most important factor, and it is necessary that the officials of the department should have every facility to carry out these investigations. In the past, ever since Montreal was furnished with an automobile, it has been found of almost invaluable use in regard to this particular class of work, and also the most economical way of dealing with the same.

The automobile has been and is used in connection with the establishing and superintending of rural mail routes on the island and in the district of Montreal.

The automobile is used both summer and winter continuously. At the beginning of 1915, the automobile, which had been purchased in July, 1910, had become dilapidated and worn out, so that on many occasions when engaged on work in connection with postal matters, it broke down and became so defective that it could not be relied upon The present car, which is a more powerful and more durable one, and better suited to the winter roads, was, therefore, purchased and is being used for the same purpose as the car which was purchased in 1910.

ROSS RIFLE MAGAZINE PURCHASES.

Mr. J. J. HUGHES:

Were any extra magazines for Ross rifles purchased since the beginning of the war? If so, how many, and at what price?

Sir SAM HUGHES: Yes, 43,000 magazines, at $2.31 each, were purchased, through the War Purchasing Commission.

COMMISSIONED OFFICERS AND COMMONS AND SENATE.

Mr. J. J. HUGHES:

Can the members of the Commons and the Senate, who are officers of the Volunteer Forces, attend to their duties as officers and their duties as members and senators at the same time?

Sir SAM HUGHES: Yes, when they can be spared from their regimental or other military duties.

EMPLOYMENT OF MRS. SHOULDIS.

*Mr. PROULX:

1. Is there employed in the Dead Letter Branch of the Post Office Department a Mrs. Shouldis? If so, what is her salary?

2. Is the husband in the Canadian forces? If so, what pay is he receiving?

3. Does Mrs. Shouldis draw separation allowance, in addition to her salary?

4. When there are said to be many needy persons on the waiting lists in all the departments of the Government, would the Government consider it fair to allow persons in good circumstances to draw from several sources?

Mr. CASGRAIN:

1. Yes, at $2 a day.

2. No information in the department.

3. No information in the department.

4. In view of the great amount of work added to the Dead Letter Office as the result of the Government censorship of all classes of mail and the much greater difficulty of handling these mails owing to the war, it was not a question of putting any person in this position, but some person of tried and proved ability and with a knowledge of this work. Mrs. Shouldis had been before her marriage (from 1907 to 1910) a clerk in the Dead Letter office, and had proved herself a more than ordinarily intelligent and expert clerk, and when the department ascertained that her services, backed by her knowledge and ability, could be obtained, it was considered very much to the public advantage to secure them if possible. For the above reasons the appointment was made, on the recommendation of the superintendent of the branch, approved by the Deputy Postmaster General, and it was made solely because of the necessities of the case and the expert knowledge possessed by the appointee. The necessity, moreover, was greater owing to the fact that on account of the number of men going to the front, one of the ablest clerks in the branch had to be sent temporarily to the West to assist in the work of the Dead Letter office for the province of Saskatchewan. Mrs. Shouldis has only been appointed a clerk temporarily, and until the pressure of the work is relieved.

Sir SAM HUGHES:

1. Answered by Post Office Department.

2. Yes, $1.50 per day.

3. Mrs. Shouldis draws separation allowance.

4. Answered by Post Office Department.

PACKARD AUTOMOBILE PURCHASE.

Mr. PROULX:

1. Was a Packard automobile bought by or for the Post Office Department for use at Montreal?

2. If so, what was the date of purchase, and price paid?

3. Is this automobile used for private purposes? If so, by whom?

4. If used for public purposes, what are the names of the persons so using it?

Mr. CASGRAIN:

1. Yes.

2. July, 1910; $5,472.75.

3. Car was sold on 15th July, 1915.

4. See No. 3.

EXPORTATION OF HORSES PROHIBITED.

*Mr. J. J. HUGHES:

1. What is the date of the Order in Council prohibiting the exportation of horses from Canada?

2. Has the said Order in Council been cancelled? If so, when?

Mr. REID:

1. Saddle, draught and pack animals suitable for use in war were prohibited export to any place other than the United Kingdom or British Possessions, from August 9, 1914, under Order in Council based on section 291 of Customs Act, chapter 48, Revised Statutes of Canada, 1906.

2. Said Order in Council was amended by Order in Council dated January 6, 1916, by which horses and other animals, pack, saddle and draught, suitable for use in war, are prohibited export to all destinations abroad other than the United Kingdom, British Possessions and Protectorates, United States, France, Italy, Japan and Russia (except Baltic ports).

DUTY ON NECKLACES.

*Mr. J. J. HUGHES:

Did the Government collect duty on the pearl and diamond necklaces that are said to have been imported from England by a Minister of Crown during the last six months?

Sir THOMAS WHITE: The Government have no knowledge of any importations having been made on which duty has not been paid.

COMMANDING OFFICER, 13TH C.M.R.

Mr. BUCHANAN:

1. Who is commanding officer of the 13th C.M.R. stationed at Medicine Hat?

2. What previous military experience did he possess?

3. Whom did he succeed in the command?

Sir SAM HUGHES:

1. Lt.-Colonel W. J. Holmes is Commanding Officer of the 13th Canadian Mounted Rifles.

2. Graduated Royal Military College, June 26, 1891; Lieutenant, R.O., same date; Captain, 102nd Regiment, March 20, 1902; Lieut.-Colonel, 102nd Regiment, May 4, 1908; transferred to R. O., February 16, 1912.

3. This officer was appointed as Commanding Officer, vice Lieut.-Colonel A. C. Kemmis.

191ST OVERSEAS BATTALION, MACLEOD.

Mr. BUCHANAN:

1. Has authority been given to raise an overseas regiment with headquarters at Macleod, Alberta?

2. If so, who is the commanding officer?

3. What previous military experience does he possess, and what rank did he hold at the time of his appointment?

Sir SAM HUGHES:

1. Yes; the 191st Overseas Battalion has been authorized for Macleod, Alberta.

2. No Commanding Officer has yet been appointed.

3. Answered by No. 2.

ASH WEDNESDAY ADJOURNMENT.

Sir ROBERT BORDEN moved:

That when this House adjourns on Tuesday, the seventh day of March, it do stand adjourned until Thursday, the ninth day of March instant, at three o'clock p.m.

Motion agreed to.

IMPORTED LABOURERS IN BRITISH COLUMBIA.

On the Orders of the Day:

Mr. VERVILLE: I desire to call the attention of the Minister of the Interior to an article appearing in the Vancouver Sun of Saturday, February 26 last. I give the article with its heading:

Hundreds of Loggers Imported to Work in British Columbia—Canadians complain cannot get work owing to Importations from State of Washington.

At least seven hundred loggers have been imported from the State of Washington, it is said, on the authority of Canadian loggers, who complain that they are unable to obtain positions on account of the imported labour. Cities of Washington are said to be placarded around those sections where the logger and labourer congregate. These posters say there is a shortage of labourers in British Columbia and pay is $3 a day. A considerable number of loggers attracted by the offer of $3 a day have gone back to Seattle, it is reported, on finding that the posters had misled them and the pay was not $3.

It was reported to the Trades and Labour Council that the Princess Sophia on Tuesday night at nine o'clock took some two hundred of the foreign loggers up to Comox, where they were to work in the logging camps of the Fraser mills. Local loggers complain too that these men were provided with transportation from Seattle to the camps. The immigration authorities professed to know nothing about any such influx of labourers when communicated with by officials of the Trades and Labour Council.

Mr. ROCHE: If the hon. member will send the clipping to me, I will have it in-

quired into. I am convinced that the immigration authorities have no knowledge of the matter, as there is an Order in Council prohibiting such immigration.

IMMIGRANT WIDOWS AND CHILDREN.

On the Orders of the Day:

Mr. MURPHY: Can the Prime Minister give me any information on the subject I inquired about the other day—the reported arrangement with the Salvation Army to bring dependent women and children to Canada?

Sir ROBERT BORDEN: A letter was received, but when the subject was last referred to Commissioner Lamb had not arrived. Since then he has arrived and has proceeded to Montreal. He has a proposal which is, in effect, an enlargement of the work which the Salvation Army has been doing during the last four or five years, in bringing to Canada widows with families, under conditions which make it possible for them to support themselves and for the children to engage in work for their own support as they become old enough to do so. I understand that the idea is to enlarge this work so as to bring to Canada the widows of men who have fallen at the front, and to make arrangements to provide for their support in Canada.

Mr. MURPHY: Does it involve the granting of aid by this Government?

Sir ROBERT BORDEN: No formal application has been made with regard to that, and I am not quite sure whether it is involved or not. The Minister of the Interior may have fuller details. I will ask him to ascertain and give the information later.

WAR TAXATION.

WAYS AND MEANS.

The House in Committee of Ways and Means, Mr. Rhodes in the Chair.

Sir WILFRID LAURIER: I understood from the discussion that has already taken place, that several amendments to the Ways and Means resolutions were to be brought down. It would have been more convenient had they been communicated to the House before proceeding with their consideration.

Sir ROBERT BORDEN: That is the intention.

Sir THOMAS WHITE (Minister of Finance): The right hon. leader of the Op-

[Mr. Roche.]

position has anticipated the course I intended to pursue. The resolutions which were brought down in the Budget appear in the Votes and Proceedings of February 15. In the course of the debate on the Budget, I stated, as my right hon. friend has said, that I would acquaint the House with certain provisions which appear in the Bill to be founded upon the resolutions dealing with some important matters which were discussed in the course of the debate. I propose, at this sitting of the committee, to deal briefly with these points and with the amendments which I have to offer; and then I will ask the Committee, to rise and report progress. The resolutions can then be printed, and to-morrow or some later day, with the full text of the resolutions and amendments before it I will ask the committee to proceed with their consideration.

In the resolutions it was provided that the special taxation measure should apply to the accounting periods ending after August 4, 1914, of persons, firms, partnerships and companies. I may say, although I do not purpose arguing the question now, that that followed the precedent of the British Finance Act No. 2, which was passed into law in December, 1915—some three months ago—and which related back to August 4, 1914. In some of the accounting periods ending after August 4, 1914, it is obvious that there might be included some part of the period previous to the outbreak of war on August 4, 1914. But the committee will no doubt have observed that as the Bill imposed taxation only in respect of accounting periods up to August 3, 1917, to the extent that any business was taxed in respect of its accounting period prior to August 4, 1914, it would not be obliged to pay for a corresponding period prior to August 3, 1917. In other words, the intention of the proposals was, that no business should pay upon more than three accounting periods, or upon less than three accounting periods, of one year each.

The proposal to make the taxation apply to the past has been discussed at some length, and, so far as the revenue of the Dominion is concerned, I think it makes no difference—as only three periods can be taxed, and as three periods must be taxed—whether or not the proposals are limited to accounting periods which fall in after August 4, provided that three accounting periods are dealt with. This, however, is subject to two considerations. In the first place, large profits were derived during 1915 by many firms and companies engaged in the munitions business and in many other

businesses in which, owing to the war, there was an abnormal rise in the price of the commodities dealt with. Secondly, there is this consideration: that it is not desirable, as this measure is a temporary one, to extend its provisions far into the future. In view of the discussion which has taken place, and having given the matter full consideration, the Government is of the view that the measure might with fairness be made to apply to businesses in respect of accounting periods which end after December 31, 1914, instead of after August 4, 1914. The months of August, September, October and November, after the outbreak of the war, were very trying months; and, therefore, I have to propose, in the amendments which I shall lay upon the table, that the taxation measure shall apply to businesses in respect of accounting periods which end after December 31, 1914.

Mr. A. K. MACLEAN: The month of December is excluded.

Sir THOMAS WHITE: After December 31, 1914. There is a further consideration which I desire to draw to the attention of the committee. It takes a considerable time to levy income taxation, or taxation in the nature of income taxation, and so far as I am acquainted with that kind of legislation, income taxation, or taxation in the nature of income taxation, is always levied in respect of the past, and usually in respect of the past year.

Mr. GRAHAM: That is the basis.

Sir THOMAS WHITE: Sometimes it is the basis, and sometimes it is upon the actual business. Whether it be the basis, or whether it is upon the actual business, the tax is levied upon an amount determined by the past year's business. If—and the question has been raised in debate—we provided that these proposals should apply only to accounting periods from this date forward, it is perfectly obvious that we would not be able to obtain any revenue during the present year, because it takes almost a year to make assessment, to allow for revision, and, finally, to collect the taxation. I desire not to elaborate the argument, but for the present only to submit statements of fact.

Mr. MURPHY: How far does the explanation that the hon. gentleman has just given apply to the accounting period which, under the resolution, is to be determined by the minister himself?

Sir THOMAS WHITE: As my hon. friend will observe, the discretion of the minister to determine the accounting period applies only to cases where the accounting period exceeds a year, or where there is no accounting period. I do not think that occasion will arise frequently for the exercise of that discretion. It is only to safeguard the measure, so that companies cannot evade the tax by saying: we have no accounting period. As a corollary to what I have stated, namely, that the new proposals will apply to accounting periods ending after December 31, 1914, the operative part of the Bill will come to an end on December 31, 1917, instead of August 3, 1917, in order that the measure may apply to three accounting periods of a year, and to not more than three accounting periods a year each.

Mr. GRAHAM: You will get more money, too.

Sir THOMAS WHITE: I am glad to hear my hon. friend say that. I am trying to meet the difficulty that has been mentioned; I am rather disposed to think that my hon. friend is right in suggesting that we shall get more money. At all events, that seems, to my judgment at least, to be a fair meeting of the situation so far as the so-called retroactive provisions of the Bill are concerned.

The Bill itself contained provisions, even under the resolutions as drafted, whereby any business subject to the tax would not be obliged, in the year 1916, to pay in respect of two accounting periods. There were provisions in the Bill that, where a business was liable in respect of two accounting periods, representing a period of two years, the business might pay for the first accounting period in 1916, for the second accounting period in 1917, and for the third accounting period in 1918. My object was to avoid inconvenience and hardship to those who might be subject to the taxation in being obliged to pay in 1916 in respect of two full accounting periods.

Turning from the so-called retroactive provisions of the measure to certain other matters which were discussed, and particularly to the question of the capitalization of companies, I have the following observations to make: It is not necessary for me to say to the committee that in an intricate measure of this kind, a measure so far-reaching in its character, it has not been an easy matter to deal with the important question of reserves. The committee, comprising as it does so many lawyers and business men, of course understands that there are reserves and

reserves. One company has carried on its business properly. Starting years ago with a small capital, it has written off year by year a proper amount for depreciation. Every year it has put part of its profit back into business, usually into the plant or stock in trade. In a word, it has built up its business along conservative lines. Some of the greatest enterprises in the world have been built up precisely in that way, and in my opinion that is the proper way to build up large industries; that is to say, to grow by certain and sure steps from small beginnings to a larger, and finally to a great business. In cases such as that, where the reserves are true reserves, no question could possibly arise. Such reserves are just as much capital as the paid-up capital of the company, even if it is fully paid up in cash.

Mr. NESBITT: Does that apply to incorporated companies as well as to partnerships?

Sir THOMAS WHITE: Undoubtedly. The question does not arise in the case of firms, because there we are taking the value of their assets. In my remarks I was referring more particularly to reserves of incorporated companies. On the other hand, there are companies whose reserves are more or less what might be called book-keeping reserves. Some of these reserves are actual reserves, but others cannot be regarded as true reserves. We have in this country a number of public franchise corporations, for example. I do not wish to make a sweeping statement, because it would probably be inaccurate, but I know that in the case of many of these companies very little is written off year by year for plant. The profits in excess of the dividend distributed to shareholders are carried to profit and loss account, or to reserve. The motive may be to show a large body of assets, especially in the case of those companies whose franchise expires at a certain time and who look forward to their plant being taken over by the municipality. Such companies naturally desire to show as large a body of assets as possible in anticipation of that time and of such taking over. I use these two illustrations because they represent extremes. In the one case, we have the well-managed company with true reserves, and in the other the company which, neglectful of sound business principles, has failed to make due allowance year by year for depreciation, and to whom it has been an object to build up reserves which, in part at least, may be regarded as book-keeping reserves. So that in dealing with such a range of business as we are dealing with in these proposals, it is a very difficult thing to lay down a rule as to what amount of reserves should be allowed as capital. It is not necessary that I should trouble the House by indicating the different stages of my consideration of this question. At first I thought it might be proper to allow a percentage of all reserves of capital, but that appeared to me to be unsound, because, as I have stated, in the case of some companies the reserves can be considered as true reserves, and in other cases the reserves cannot be so considered. Not to trouble the House further, I finally reached the conclusion which is embodied in the Bill, namely, that the true principle was that there should be allowed as capital the actual unimpaired reserves of a company. Now that is a question of fact. In my opinion that is the sound way of dealing with these reserves. It means that the man who has conducted his business soundly and written off a proper amount year by year for plant, and built up a reserve, will be allowed his reserve as part of his capital. On the other hand, if it should be found that reserves, so-called, are not true reserves, they would be allowed to the extent that they are actual and unimpaired reserves. That is the conclusion the Government has reached upon the question of reserves, and I think it will meet most of the criticism which has been advanced in respect of that feature of the Budget proposals.

Now I come to what might be called the converse of that: the so-called watered stock corporations—corporations whose capital is excessive. In a great many corporations, capital stock is issued in respect of consideration other than capital. It may be that the stock is issued in consideration of the transfer of a patent, of a valuable agreement, or of a franchise, as in the case of a public service corporation, and it is to be observed that it does not necessarily follow that that stock is valueless because it has been issued in respect of such patent, agreement, or franchise. A patent, agreement, franchise, good-will are all recognized in law as being value, as constituting valuable consideration in any agreement. The difficulty has been that company laws of all countries have been abused, and that the true amount of stock representing the real value of such patent, agreement, or franchise, has not been issued. If stock only to the true value of the patent, agreement,

franchise, or other intangible asset had been issued, the question which has been discussed in this House would hardly have arisen. But the difficulty has been that by virtue of the laws, and of decisions under the laws, which are a part of the law as hon. gentleman know, once capital stock is issued as fully paid for consideration other than cash, then under the authority of leading cases in the English law, which of course have the effect of law here and followed in our courts, no question can be raised by reason of the principle of estoppel against the company which has issued the stock. It has been held, Mr. Chairman, in one of the leading cases that the Court in the absence of fraud, will not inquire into the question of whether or not stock has been fully paid if issued as fully paid for other consideration than cash, even at the instance of a liquidator. That, I think, is the law, but what has happened is that under the company laws of all countries, under the decisions of the courts in this country, and by virtue of the decisions to which I have referred, capital stock has been issued to an unconscionable degree against intangible assets. It is in such cases that, unless there was a definition of paid-up capital which would bring those companies within the operation of the Act, injustice would result to those whose stock had been fully paid up in cash, or whose stock had been properly issued for consideration other than cash.

I need not say to the House that there is considerable difficulty in meeting such cases and in doing full justice in such a measure as this. I stated before, and I state now, that it is practically impossible to ascertain the precise value of the consideration for which the capital stock of a company has been issued as fully paid. It would not be possible to go back to the past to ascertain what was the precise value of the patent, of the agreement, or of the franchise at the time that the stock was issued. Not only that, Mr. Chairman, but in the intervening period, the agreement or the patent or the franchise might have wasted, or become deteriorated. If, on the other hand, the stock has been issued, as consideration for real property, then the real property might have been sold, and altogether it would be impossible, as I stated, to ascertain the precise cash value of the consideration for which such stock was issued in the past.

Mr. SINCLAIR: What would the minister say as to the value of stock quotations on the exchange? We will say that a stock which has a nominal value of 100 is quoted in the market at 400. Would the minister say that that was a fair way of finding the market price?

Sir THOMAS WHITE: I am coming to that, but I will say now, and I think my hon. friend, as a lawyer, will agree with me, that stock market value is evidence, but not conclusive evidence of value. It is some evidence to be taken into consideration. But many factors enter into stock market values—earning power as well as the tangible assets back of the stock, and while I would be disposed to say to my hon. friend that some regard should be had to stock market quotations, still I would not consider that a sound basis on which to reach the value of any stock listed upon exchange. My hon. friend also knows that stocks fluctuate very much according to financial conditions. When money is cheap, when there is a boom, stocks of course rise in value. On the other hand when panics occur, or money becomes dear, stocks fall in value; so I think it would be very unsafe to take the stock market quotations as the value at which stock should be fixed for the purpose of ascertaining the true capitalization of over capitalized companies.

Now I come to what I have to propose. I told the House that this taxation measure would apply to businesses, including corporations, in respect to accounting periods ending after December 31, 1914. To meet the case of so-called watered stock corporations, or over-capitalized companies, I propose by way of addition or amendment to the resolutions a definition of amount paid up on capital stock, which I think will fairly meet the situation. I say again, perhaps quite unnecessarily, that it is not an easy situation to deal with, because we have behind us the entire legislation of the past, and corporate action in virtue of that legislation, and decisions thereunder.

What I propose is as follows: That the amount paid on the capital stock of a company shall be the amount paid up in cash. That is to say, if paid up in cash, no question arises. Where stock was issued before the first day of January, 1915, for any consideration other than cash, the fair value of such stock, on such date, shall be deemed to be the amount paid up on such stock; and where stock has been issued since the first day of January for any con-

sideration other than cash, the fair value of the stock at the date of its issue shall be deemed to be the amount paid up on such stock. In estimating the value of stock issued for any consideration other than cash, regard should be had to the value of the assets, real and personal, movable and immovable, and to the liabilities of the company at the date as of which such value is to be determined.

In no case shall the value of the stock be fixed at an amount exceeding the par value of such stock. In other words, what we propose is that where stock has been isued for cash, the amount paid upon the stock shall be the amount of cash so paid upon the stock, but not of course exceeding par. Where the amount paid exceeds par, that would appear in the reserves of the company, so that no injustice is done in making the limitation par. Where the stock of a company has been isused, for consideration other than cash, prior to January 1, 1915, we propose to say that the amount paid up on the stock for the purposes of this Act is the fair value of that stock as at January 1, 1915. Why? Because, as I have said before, this is a tax upon profits upon capital, if we can determine the capital of the company as of a date approximating the beginning of the period in respect to which the company is taxed, then we are fairly imposing the tax in respect to the capital of the company at that time. In other words, we are dealing with the over-capitalized company on precisely the same basis as we are dealing with the properly capitalized company.

Mr. W. F. MACLEAN: And the hon. gentleman de-waters some of the stock?

Sir THOMAS WHITE: We de-water some of the stock for the purposes of this Act. I did not know that my hon. friend knew what watered stock was. That is the proposal which the Government has to make in respect to companies whose stock has been issued for consideration other than cash. I realise that it will not be possible to ascertain the precise cash value, but for every practical purpose of the Act, this puts the over-capitalized company upon exactly the same basis as the company which has been properly capitalized.

Sir WILFRID LAURIER: How will you determine what is water and what is gold?

Sir THOMAS WHITE: No doubt my hon. friend uses the word "gold" in the sense of tangible assets?

[Sir Thomas White.]

Sir WILFRID LAURIER: Yes.

Sir THOMAS WHITE: Let me give my right hon. friend an illustration such as this: You may have an industrial company whose stock was watered to a very considerable extent, say, some time ago, or, recently—it really makes no difference for the purposes of my argument. That company has certain earnings to-day. Its stock has been issued for a consideration other than cash. If we could determine the value of the assets of that company as of January 1, 1915, and determine the liabilities of that company as of January 1, 1915, we would have a reasonably fair idea of the value of the stock; in other words, of the true capital of the company. My right hon. friend will, no doubt, say that it will be a difficult thing to do, and I quite agree with him, but in connection with assessment, I may say that I had charge of the business assessments in the city of Toronto for ten years, and while a number of questions arise which are difficult of determination, they are not impossible of determination along fair or just lines for purposes of a taxation measure. Personally, I see no difficulty in administering the Act under this provision, and administering it in such a way, as I stated a few days ago to the House, as to allow of no undue advantage to the over-capitalized company.

Mr. PUGSLEY: Is it proposed to take the actual, fair, cash value irrespective of any prospective profits?

Sir THOMAS WHITE: What I say is the value of the assets, movable and immovable, real and personal, irrespective of future expected earning power.

Mr. PUGSLEY: The cash market value?

Sir THOMAS WHITE: The cash value? What I say is the value of the assets of the company, real and personal, movable and immovable, adopting the same language as we do in connection with persons and firms subject to taxation, less the liabilities of the company.

Mr. PUGSLEY: Does the minister know any other better way of arriving at the fair value except by taking what the men who own these properties and franchises, not being obliged to sell, would be willing to take for them and what the purchaser would be willing to give? In other words, would he consider that to be the fair, actual market value?

Sir THOMAS WHITE: I have no doubt that my hon. friend has really in his mind

the provisions of some of the assessment Acts. Of course, my hon. friend knows that there is a difficulty in reaching what might be called the cash value. We had an assessment act in Ontario the wording of which is something of this character: The amount which would be taken in payment of a lawful debt by a solvent debtor. That was the language of the statute but I do not believe you can express it better than to say the fair value, or the value of the assets. After all, the words, " value of the assets " convey a definite idea to the mind.

Mr. PUGSLEY: When you say the " fair value," do you allow for prospective profits?

Sir THOMAS WHITE: No. I have not used the words " fair value " in respect to the future profits on the stock, but I say that regard should be had to the value of the assets, real and personal, movable and immovable, subject to the liabilities of the company at the date at which such value is to be determined. When the matter is in committee I would value very greatly the opinion of my hon. friend, or any suggestion that he might put forward, but when we say that it is to be the value of the stock as of about the time this Bill begins to operate, and when we say, in reaching that value, that regard shall be had to the value of the assets, real and personal, movable and immovable, and the liabilities of the company, we put the over-capitalized company precisely on the same basis as the fairly capitalized company and the individual who is being taxed by this Bill. That is what we propose to do and that is the intention of this amendment to the resolution.

Mr. W. F. MACLEAN: Would the minister say who is to apply the law in this case?

Sir THOMAS WHITE: This is a temporary measure. It has not been my intention, or the intention of the Government, that the measure should become permanent. It is due to the exig-

4 p.m.

encies of the present situation under which it is absolutely necessary that the Government should raise further money by means of taxation if our credit is to be protected. We are fronted with responsibilities in this coming year to the extent of $425,000,000, and next year the liabilities for war will be greater than they are this year. Even if the war ends within this year, we shall still have a military establishment, and it will be a long time before we can get off a military basis. I do not desire to mislead the House and the country; the financial responsibilities of the future are very heavy, and I feel if we did not bring in this measure of taxation the credit of the Dominion would suffer, and it would react upon our borrowing powers, because, when you go to borrow in the markets of the world at a time like this, the question that is put to you is: What measures are you taking to increase your revenue so as to take care of your rapidly expanding public debt?

Mr. PUGSLEY: They would ask two questions: What measures are you taking to increase your revenue and to decrease your expenditure?

Sir THOMAS WHITE: I would like nothing better than that my hon. friend should raise the question of expenditures by this Government, so that I might have the opportunity, which I have not had up to date, of telling what I think about some of the arguments that have been made in this House against our expenditure.

Mr. PUGSLEY: Let us do it in committee.

Sir THOMAS WHITE: I am quite willing to discuss the matter with my hon. friend now or at any other time. This probably may not be the most convenient time, but at any convenient time I shall be glad to take the question up, because I say that this Government has done everything that is possible for any government to do to keep down expenditures.

Mr. MARCIL: Why did you not strike them out of the Estimates that you are now asking us to vote?

Sir THOMAS WHITE: I do not want to be diverted from my argument, but I desire to say that for the last eighteen months, since this war broke out, in fact, for twenty months—since June, 1914—practically no new works have been gone on with in this country, and if hon. gentlemen can suggest any better policy of economy than not going on with any new works I would like them to submit it for my consideration, and I will consider it. My hon. friend from South York (Mr. Maclean) asks how we propose to administer this Act. We propose to administer this Act through the Finance Department. Just as the customs administration is under the Minister of Customs, just as the administration of the inland revenue is under the Minister

of Inland Revenue, so the administration of this Act will be under the Department of Finance, and we shall have to make the assessment and collect the taxation. There will be an appeal to the Board of Referees and a further appeal to the court in order to safeguard the rights of the taxpayer.

Mr. GRAHAM: Will the capital stock be taken into account at its value at the time of issue, no matter when issued?

Sir THOMAS WHITE: No, that would be unsound for two reasons. In the first place these proposals are designed to tax profits in excess of a certain amount on the actual capital invested. Suppose you have a company which years ago issued its stock for considerations other than cash. It would be impossible now to go back and ascertain the value of those considerations many years ago, and therefore in order to put the over-capitalized company, because I am dealing only with that class of company, upon the same basis as the properly capitalized company, I say: "We will determine what your stock is fairly worth on January 1, 1915; in other words we will dewater your stock, if it needs to be dewatered, to what its fair value was on January 1, 1915, and then put it on all fours with the company whose capital you allow and whose true reserves you allow as of January 1, 1915."

Mr. GRAHAM: What about stock issued after that date?

Sir THOMAS WHITE: My hon. friend must be interested in some stock issued after January 1, 1915. If stock is issued after January 1, 1915, it will be determined on its fair value at the time of issue, but in determining that value regard will be had to its assets, real and personal, movable and immovable; or in other words, it will be put on the same basis as a company whose capital stock has been paid up in full in cash.

Mr. GRAHAM: There are two kinds of securities, namely: bonds and preferred stock, which usually provide the capital in cash. Common stock represents an intangible asset such as goodwill or something of that kind. As I understand it, my hon. friend proposes to treat preferred stock and common stock just as capital stock.

Sir THOMAS WHITE: "Capital stock" for the purposes of this Act is capital stock, whether preferred or common, but bonds, the liability of the company, cannot be regarded as capital stock.

Mr. LEMIEUX: I would like to read a letter from Alderman Joseph Ward, who is a high-class business man of Montreal. Alderman Ward is a member of the firm of Joseph Ward and Company, one of the large firms dealing in produce in Montreal. I would like my hon. friend, if he can, to give an answer to the questions raised by Mr. Ward, who writes:

Sir,—Unless this measure is closely studied it may be found far from equitable. How will firms with two or more partners whose joint capital may be only $50,000 combined be treated? Will all be subject to the tax? In many cases junior partners in such firms have but little capital and very few firms are composed of members with even capital. In a firm of $50,000 combined capital there may be members with an individual capital of one or two thousand and even if of even capital in a firm of two each would have only $25,000, such would be taxed whereas a firm with only one proprietor might have up to $49,000 capital and not be taxed. You can see the injustice to those forming the firm with the combined capital, and especially if made retroactive and the individual partners have spent or invested their past profits on given amount of business. Now how will firms with several partners under such conditions, compete? Taking the country and city firms with one proprietor is possibly ten to one, so that ten will escape and one will be taxed unless this is adjusted. Do you not think that in all justice in connection with private unchartered commercial firms of that kind, only the profit of such members who may have individually $50,000 capital invested in such firms should be taxed and not the profits of junior members who need all their profits to grow to take care of the commerce of this country? Whatever is done the Government should not allow the one proprietor with more capital than such individual to go free.

Sir THOMAS WHITE: While I do not care to state the effect of these resolutions in any case, as I think it would be unwise to do so, the points raised in this letter present no difficulty to my mind. If men are combined in a partnership, no matter what their interest may be amongst themselves, their firm is an entity. It is engaged in business and the matter of how they pay the tax is a matter of arrangement amongst themselves. The same argument will apply properly to the case of a joint stock company where there is a number of shareholders, one man holding five shares, another 500, and so on. You must deal with a firm as an entity, and a partnership as an entity.

There are carrying on business in Canada some companies who are controlled by companies outside of Canada and, instead of those companies paying their true net

profits, or a substantial part of them by way of dividends to the holding or parent company, they have an arrangement whereby they sell the parent company their product at less than its fair market value and in that way the parent company takes its benefits or advantage from the stockholders in such company. That also is a matter of some difficulty, as hon. gentlemen will realize, but I think I have covered that by an amendment which I shall ask the committee to consider carefully, and which is as follows:

Where an incorporated company conducts its business whether under agreement or otherwise, in such manner as either directly or indirectly to benefit its shareholders or any of them or any persons directly or indirectly interested in such company by selling its product or the goods and commodities in which it deals at less than the fair price which might be obtained therefor the minister may determine the amount which shall be deemed to be the profits of such company for any accounting period and in determining such amount the minister shall have regard to the fair price which but for any agreement, arrangement or understanding might be or could have been obtained for such product, goods and commodities.

Mr. W. F. MACLEAN: Would the amendment reach the nickel company—a nickel company? I do not want to specify. Is the minister trying to deal with a company of that kind?

Sir THOMAS WHITE: I think that might fairly be gathered from the clause I read. There has been a misunderstanding with regard to the effect of the measure on mining companies, and there is no doubt that mining companies present difficulties that are not presented by other companies. It would in my view be quite unjust to leave mining companies untaxed in a measure such as this. You have in the case of mining company frequently a capital of five, ten or twenty million dollars earning large profits, and it would seem unfair to other corporations for mining corporations to escape untaxed. Now, it is only fair to the mining coroporations, because I have had representations from some of them, to say that they do not in the least degree desire to escape taxation at this time. They put forward their view as to the method of application of this Act to mining companies. But, as I have said, there has been misapprehension as to the effect of the proposals upon mining conditions. In the case of a mine, profits, so-called, include not only what might be regarded as true net profits, but a very substantial portion of the capital of the mine. Therefore, when we assess mining companies, we must bear in mind that, in order to ascertain what their net profits are, a substantial part of the apparent profits of the mine represent capital, and that within a few years, depending upon the character of the mine, whether metalliferous or otherwise, the capital will be exhausted. Under the laws of the province of Ontario, and possibly under those of some other provinces, a mining corporation is permitted to do what another corporation is not permitted to do—namely, to pay out as profits to its shareholders a part of the capital. Now, under the resolutions as they stand, it is perfectly clear that in determining the net profits, regard must be had to the amount by which the mine is yearly exhausted. I may say, there is legislation in the United States assessing the income of mining companies, and it is provided that allowance shall be made, not exceeding a certain percentage—I have forgotten the exact figure—to represent the capital that is being returned to the shareholders in the so-called profit distribution. Now, although it would be implied by the resolutions as they stand, that this allowance should be made for the depletion of capital, yet, in order to make it perfectly clear, I propose to provide that the minister, in determining the profits derived from a mine, may make an allowance for the exhaustion of the mine.

Now, carrying out the intention I indicated at the opening of my remarks, I would suggest that I be allowed to lay upon the table the amendments to these resolutions, that these be printed, and that after they are printed we shall resume the discussion of them in committee. That would seem to me to make for the convenience of all concerned.

Mr. BOIVIN: Before the committee rises, perhaps the minister will permit me one question. The minister explained that the profits made during a certain number of years, and invested in a business carried on in a conservative way, would be considered as part of the capital, in computing the profits of the company. I quite understand that, and I quite understand that that will be very advantageous for a company with a paid-up capital of $50,000 or even more. But suppose the case of a company in which the paid-up capital stock is less than $50,000, but in which, owing to accumulated profits, they have invested more than $50,000, will that be taxed?

Sir THOMAS WHITE: They come under the provisions of the Act, because their capital will be more than $50,000.

Mr. BOIVIN: But paragraph 6 of the resolutions provides:

6. That the capital employed in the trade or business of an incorporated company having its head office or other principal place of business in Canada shall be the amount paid on its capital stock.

Sir THOMAS WHITE: I am defining what "capital stock" means. If I define "capital stock" to include the reserves, then "capital stock" will be the capital stock plus the reserves.

Mr. BOIVIN: So, the idea that all companies with a capital stock of less than $50,000 shall be exempt from this taxation, is a wrong idea?

Sir THOMAS WHITE: What we intend is that companies with a capital stock of $50,000 or over shall be taxed, and in determining what "capital stock" is, regard will be had to the paid-up capital and the reserve. A company in the position referred to by the hon. gentleman would be liable, and, I think, properly so.

Mr. LOGGIE: The hon. minister said in his Budget that he would explain later on why he put partnership companies on the basis of ten per cent while he put incorporated companies on the basis of seven per cent. I should be glad if the minister would explain this before he proposes these resolutions. The proposal does seem to be inequitable, for it means than an incorporated company would pay four hundred per cent more taxation than would a partnership concern of equal capital and earnings. Suppose that a partnership company earns eleven per cent on a capital of $500,000. It is allowed earnings up to ten per cent without taxation, so that only the balance would be subject to taxation. That is, its earnings would be $55,000, of which only $5,000 would be taxed. Apply to this the rate provided, which is twenty-five per cent, and you find that the tax payable by this concern is $1,250. But take an incorporated company with the same earnings and the same capital, and it is allowed only up to seven per cent profits untaxed. On its earnings of eleven per cent, four per cent would be taxed. That is, $20,000 would be subject to taxation at twenty-five per cent, so that this incorporated concern would pay $5,000 in taxation, or as I have said, 400 per cent more than would a partnership concern of equal capital and earnings.

Sir THOMAS WHITE: If my hon. friend will be good enough to raise that question when the matter is under consideration in Committee, after the amendments have been printed, I shall be glad to give my views upon it. I may say now, however, that I consider that there is a real difference between an incorporated company and a firm or partnership, and to show that that view is not singular to myself or to this Government, I would cite the fact that under the Imperial Finance Bill, No. 2, to which I have referred, the pre-war standard in England was six per cent for corporations and seven per cent for individuals and firms.

Mr. NESBITT: Is there any change with reference to the minimum capital in a partnership?

Sir THOMAS WHITE: No, I have not brought in any change. I do not wish to widen the discussion at this time, but I may say that we regarded it as necessary to fix a minimum. This is a temporary measure. If we had not fixed a minimum, or if we had done what was suggested by certain members of the House—establish an income tax—we should really be obliged to establish another Civil Service in Canada. We should have to cover the country from the Atlantic to the Pacific with an army of officials—assessors, and their clerks; we should have to go into every village, town and city; into every shop and office building, and make the necessary assessments.

Mr. MURPHY: In that respect, do you not think that you are making a good start in these proposals?

Sir THOMAS WHITE: I think this legislation can be administered with little expense. I myself do not know any better method—I am open to suggestions—of raising a substantial sum of money at the minimum of cost and inconvenience to all concerned. I shall later ask the House to make an appropriation for the administration of this legislation. The reports of commercial agencies are open to us, and by fixing a minimum of $50,000 our task is greatly simplified. We shall not be obliged—and we should not, at this time—to engage an army of officials from the Atlantic to the Pacific to make a comprehensive assessment upon income and upon small firms, like grocers, tailors and others.

Mr. NESBITT: After all, you are trying to get a revenue. I should like the minister to consider again whether that mini-

mum should be fixed, because I think it is absolutely unfair. A man with capital slightly less than that amount goes scot free, though he is willing to pay. It will not cost you any more to collect from everybody who is willing to pay than it will to collect from those having a capital of more than $50,000.

Sir THOMAS WHITE: In that respect, I do not agree with my hon. friend. My information is that if we made these taxation proposals apply to every class of business in the country, without any minimum, the added expense of administration would more than equal the revenue that we should raise.

Mr. NESBITT: I do not think so.

Sir THOMAS WHITE: That is a matter of opinion; my view is as I have stated. I beg to give notice of, and to lay upon the table, the following amendments to the resolutions:

The definition of "non-Canadian company" in clause 1 is amended by adding thereto the following:

"Either directly or through or in the name of any other company."

The following is substituted for clause 2 of the proposed resolution:

2. There shall be levied and paid to His Majesty a tax of twenty-five per centum of the amount by which the profits earned in any business exceeded, in the case of a business owned by an incorporated company, the rate of seven per centum per annum, and, in the case of a business owned by any other person, the rate of ten per centum per annum upon the capital employed in such business. Such tax shall be levied against and paid by the person owning such business for each and every accounting period ending after the thirty-first day of December, one thousand nine hundred and fourteen.

Provided, however—

(a) that the amount paid or payable by any person under the provisions of Part One of the Special War Revenue Act, 1915, shall be deducted from the amount which such person would otherwise be liable to pay, and the minister shall have power to determine any questions that may arise in consequence of any difference in the several periods for which the taxes under the said Act and those proposed herein are payable;

(b) that the dividends received from the stock of any incorporated company which has paid a tax upon its profits under the provisions of any Act based upon these resolutions shall not be included when the profits of any business are being determined; and

(c) that the amount of any tax paid by a person under the provisions of the Finance Act (No. 2), 1915, passed by the Parliament of the United Kingdom of Great Britain and Ireland or under any legislation for raising revenue for the present war in force in France, Russia, Italy, Belgium, Servia, Montenegro, Japan or the colonies or dependencies of any of these countries in respect of the profits of any business liable to taaxtion hereunder shall be deducted from the amount of the tax that would otherwise be payable by such person.

The following is substituted for clause 4 of the proposed resolution:

5. That the businesses to which the tax shall apply are all trades and businesses, (including the business of transportation,) of any description carried on, or partly carried on, in Canada whether continuously or not except:

(a) the business of any person the capital employed in which is less than fifty thousand dollars, other than a business which, or twenty per centum or more of which, is or has been the manufacturing or dealing in munitions of war or in materials or supplies of any kind for war purposes;

(b) the business of life insurance;

(c) the business of farming and live stock raising; and

(d) the business of any company, commission or association not less than ninety per cent of the stock of which is owned by a province or a municipality.

Clause 5 of the proposed resolution is amended by adding the following to sub-clause 3:

"And the minister when determining the profits derived from mining may make an allowance for the exhaustion of the mines."

Clause 5 of the proposed resolution is also amended by changing the date of the fifth line of sub-clause 4 to "the first day of January, one thousand nine hundred and fifteen," and by adding the following sub-clause:

6. Where an incorporated company conducts its business whether under agreement or otherwise, in such manner as either directly or indirectly to benefit its shareholders or any of them or any persons directly or indirectly interested in such company by selling its product or the goods and commodities in which it deals at less than the fair price which might be obtained therefor, the minister may determine the amount which shall be deemed to be the profits of such company for any accounting period and in determining such amount the minister shall have regard to the fair price which but for any agreement, arrangement or understanding might be or could have been obtained for such product, goods and commodities.

The following clauses are substituted for clauses 7, 8 and 9 of the proposed resolution:

Capital.

7. That the capital employed in the business of a non-Canadian company shall be such portion of the amount paid up on its capital stock as shall have the same proportion to the amount paid upon the entire capital stock the value of its total assets.

8. That the amount paid up on the capital stock of a company shall be the amount paid up in cash. Where stock was issued before the first day of January, one thousand nine hundred and fifteen, for any consideration other than cash, the fair value of such stock on such date shall be deemed to be the amount paid up on such stock; and where stock has been issued since the first day of January for any consideration other than cash, the fair value of the stock at the date of its issue shall be deemed to be the amount paid up on the stock. In estimating the value of stock issued for any consideration other than cash regard shall be had to the value of the assets, real and personal,

movable and immovable, and to the liabilities of the company at the date as of which such value is to be determined. In no case shall the value of the stock be fixed at an amount exceeding the par value of such stock.

9. An incorporated company may include as part of its capital, its actual, unimpaired reserve, rest or accumulated profits.

2. The minister may determine the amount of the capital of any corporated company issuing stock after the fifteenth day of February, one thousand nine hundred and sixteen, and if, after the said fifteenth day of February, one thousand nine hundred and sixteen, the capital stock of any incorporated company is increased or additional stock is issued, or if the stock is in any way changed or re-organized in such a manner as to increase the amount of the capital, the minister may decide whether or not it is fair and proper to include such increase or any part thereof when determining the capital of such company, and the decision of the minister shall be final and conclusive.

9a. That the capital employed in the business of any person other than an incorporated company shall be taken to be the fair value of all assets, real and personal, movable and immovable, used in connection with such business.

2. So far as the capital consists of assets being debts due to the business the value shall be the nominal amount of those debts, except bad debts proved to be such to the satisfaction of the minister; and

3. Accumulated profits employed in the business shall also be deemed capital.

4. Any borrowed money or debts borrowed or incurred in connection with the business shall be deducted in computing the amount of capital for the purposes of this section.

Sir WILFRID LAURIER: I understood from some of the remarks of my hon. friend that there was to be an appeal from the decision of the Minister of Finance. There is no provision in the resolutions concerning this appeal.

Sir THOMAS WHITE: My right hon. friend will understand that a Bill which contains all the machinery for the administration of an Act of this kind is necessarily very much more comprehensive than a resolution. The resolutions are declaratory of the principles and exhibit the leading features of the Bill. The machinery is provided in the Act, which of course will be brought down and discussed on its second reading, and in committee; and in this connection, just to show how far the English practice has gone, I may say that the resolution upon which the Right Hon. Mr. Lloyd George founded his pension legislation was as follows:

That it is expedient to provide for old-age pensions, and to authorize the payment, out of moneys to be provided by Parliament, of any expenses incurred for that purpose and connected therewith.

I quote that only to show that the resolutions are not on all fours with the Bill, but of course they should not be inconsistent with the Bill.

[Sir Thomas White.]

Sir WILFRID LAURIER: So far so good. Another question: My right hon. friend said that in the case of mining companies the minister would be allowed to make a deduction upon the amount the companies are assessed. Will provision be made in the Bill authorizing the minister to make that deduction, and will any limitation be set?

Sir THOMAS WHITE: I gave that matter very careful consideration, and finally came to the conclusion that it would be unwise to fix any limitation, and I will tell my right hon. friend why. In the legislation of the United States respecting mining companies, there is a limitation beyond which an allowance cannot be made. An allowance may be made for exhaustion of a mine, but the allowance must not exceed 5 per cent, I think it is, of the output of the mine. I regard it inexpedient to fix a limitation for this reason. Mines are of different character. You may have a coal mine that will last for generations, and silver and gold mines which will last for varying periods. You cannot lay down any hard and fast rule in regard to all mines. It would seem to me that the facts in connection with each particular mine should be taken into consideration at the time the assessment is made; such facts, for instance, as the district in which the mine is, the condition of the mine, etc., and then try and reach a just conclusion as to how much should be allowed as capital. My right hon. friend might properly observe that that leaves a great deal to discretion, and I agree that it does. I think it advisable in all legislation, whether taxation or otherwise, that the law should be clear in so far as it is possible to make it clear, and that as little room as possible should be left for the exercise of discretion; but in all legislation, and especially in taxation legislation, a certain amount of discretion is necessary in the administration of the Act. I do not mean a discretion which would favour one and do an injustice to another; but a certain amount of discretion must be exercised by the officials who carry out the Act. They may say: In this particular mine or industry we estimate that an allowance of such and such per cent should be made for exhaustion of capital. It might be better to deal with this matter—and I have given this some consideration—by regulations of the Governor in Council, and I shall be very glad to consider any such suggestions when we are in committee again, and in the meantime my hon. friends may think the matter over with a view to offering

suggestions that they think would improve the Bill.

Mr. W. F. MACLEAN: The minister is, in fact, proposing a visitation upon certain citizens of this country. Is he going to begin by making up a visiting list, and will that list be made public, so that the people may know whether any who should be on that list have been left off? The public will want to know who comes within the purview of the Act.

Sir THOMAS WHITE: There is no doubt that if Parliament desires information with regard to the assessment that is made upon parties liable to taxation under this Act, such information should be laid on the Table of the House, but if any confidential information should be received I consider that it should not be made public. It would seem to me only proper that this House, having authorized this taxation, should, if it so desires, see the results of it.

Mr. SINCLAIR: Has the minister considered the case of holding companies? I have in mind a company, for instance, which does not do any business at all itself, but holds stock in other companies which do carry on business. These latter companies will be taxed under these proposals. What I want to know is whether the holding company will also be taxed? Has the minister guarded against double taxation in cases of this kind?

Sir THOMAS WHITE: That point is guarded against, in the amendments of which I have given notice. If some provision were not made great hardship would be done in the case, for instance, of some English companies which hold almost a like amount of stock of Canadian companies. These companies are already heavily taxed in England, and provision has been made against doing an injustice in cases of this kind.

Progress reported.

SUPPLY.

The House in Committee of Supply, Mr. Rhodes in the Chair.

Militia and Defence—allowances active service, $100,000.

Sir SAM HUGHES (Minister of Militia): I understand that the right hon. leader of the Government and the right hon. leader of the Opposition have come to an agreemen whereby I am privileged to go on with my Estimates this afternoon, and I wish to thank both right hon. gentlemen for their courtesy in arranging this matter.

I have been listening for some little time to the discussion of matters bearing on business and finance, which is something we are not accustomed to do in the Department of Militia and Defence. There we do not listen; we practise; our thoughts turn more to the practical end of things. The last time I had the opportunity of listening to a financial discussion I heard a speech from the lips of that distinguished soldier, General Joffre, the great leader of the French soldiers who have acquitted themselves so gloriously in the recent fighting. On that occasion General Joffre, a practical business man as well as a brilliant soldier, pointed out the desirability of union between the French and British peoples, not only in the fighting, but in the financing of this great war, and he took the liberty of suggesting that it could be done by floating an Anglo-French loan in the United States, and he also suggested the possibility of Canada doing something along the same lines in order to carry on the great struggle in which we are now engaged.

Before entering into details I should like to give a brief resume of the work of my department. I have not burdened the House much with elaborate explanations during the last three years when putting through the Militia Estimates, and I take this opportunity to thank the House for the confidence it has shown in the department. We are pleased to have all necessary inquiries made, and I am satisfied that the House will be pleased with the information it receives. The task in which we are now engaged is one that is second to none in the history of Canada from a business or financial point of view. Three great undertakings have been carried through in the Dominion. One was the Canadian Pacific railway, another the National Transcontinental railway, but these pale into insignificance compared with the magnitude of the financial operations connected with this great war. Canada was a peaceful nation trying to build up homes for her people, and to promote industries for their benefit. In connection with the expenditures on this war, the Government have had many more complicated problems to handle than had the Canadian Pacific railway or the National Transcontinental railway. These undertakings occupied years, and those engaged in them had ample time for elaborate preparations, with large staffs

at their command, and plenty of time to prepare for their work. This crisis came upon us suddenly, and we had no opportunity to prepare in advance for what had to be done. Yet, with all the care and attention devoted to those great railway undertakings, extravagant prices were paid, and even scandals arose here and there.

When war broke out the people of Canada faced the issue. On the one hand it was human liberty and progress, on the other Kaiserism and tyranny. I want here to say a word absolutely on my own account, and in saying it I am not voicing the opinion of any one else. The Teutonic races in all periods of history, until recently, worked ardently in the cause of liberty. They fought with the British to overthrow the tyranny of Bonaparte some hundred and odd years ago. From the days of the old Roman wars until recently the Germans were ardent in the cause of individual liberty, but their changed position indicates how essential it is for the people of every land, in all periods of history, to be eternally vigilant, or otherwise the iron heel of tyranny may trample upon Parliament and the people, and grind them down as the German people have been ground down. I feel this, further, that if the people of Germany get an opportunity to express themselves, as I believe they will after another smash such as they have received at Verdun, you will see them assert their individual rights and privileges, and you will see Kaiserism and tyranny and autocracy vanish from the face of the earth.

When war broke out, there was but one spirit throughout the Dominion of Canada, a spirit in the lines of Whittier:

> God and our chartered right,
> Freedom forever,
> Truce with oppression?
> Never, no, never.

Canada rose to the situation, called the boys together, trained them at Valcartier, and sent them over the sea. At that time we were not prepared to undertake the great industries which have since developed. As I pointed out on a former occasion, we started the shell industry, and little by little the manufacturers of Canada gained confidence in themselves and in their great resources until that industry attained the tremendous proportions it has reached to-day. The total number of contracts which the Department of Militia and Defence made up to February 15 of this year was upwards of 15,000, and between 1,000 and 2,000 Orders in Council were passed on various subjects connected with the department.

Our aggregate expenditures, up to the time we handed the purchasing over to the War Purchasing Commission, was $114,000,000. We had a limited staff, and as my hon. friends know we had practically no patronage list. Tenders were called for, and contracts were let irrespective of political predilections. Possibly we have made mistakes, but they have been very few. Like the Irishman, we want to know where the mistakes were, but we have not found very many so far. We reduced the waste to a minimum, and wherever it was found that exorbitant prices had been charged we promptly took steps to secure the return of the money so over-charged. We took every precaution and every safeguard in the expenditure of those moneys that we possibly could with the limited staff, and with the limited time at our disposal.

There were three classes of prices, we found, in dealing with war matters. There were the prices in vogue before the war, honest peace prices. Then there were what might be called legitimate war prices; a great many commodities which had to be purchased after war broke out having increased in value owing to the operation of the principles of supply and demand. These prices might, as I say, be called legitimate war prices, though they were higher than the peace prices. Then we had what might be called war combine prices, or exorbitant prices. As I have said, we took every precaution to keep these prices within bounds. Our policy has been to give every man a fair and square profit on anything he did for the Government or for the country. We have endeavoured to prevent anything like extravagance in prices, and to keep everything down to the minimum. We have heard a good deal of talk about profiteering. We are told that profiteering of any description is very bad, but I have noticed that it is always the man who is not immediately concerned who is interested in somebody else's profits. There has been a good deal of criticism in regard to this matter. Our experience has been that it is always the good man who believes in charity beginning at home who pockets his profits and keeps them, and who has something to say about other people's profits. It is so with the manufacturer, with the banker, with the leather merchant, and even with the lawyer and doctor. We do not find any of these surrendering their profits, but we do find them talking about

the profits in other lines of business We find that talk against profiteering always concerns somebody else and some other business than that in which the complaining party is engaged. That is our experience. Every man has a right to a certain profit but he has no right to an exorbitant profit.

At the beginning of the war, United States firms with which not only the Canadian Government but the British Government had largely to deal, would not undertake delivery under contract in Canada or in any other country at war. Therefore, the contract had to be arranged so that they would deliver to some non-combatant person in the United States who would then transfer the goods to Canada or Great Britain. Our concern was to get these goods made and delivered as rapidly as we could. I had been associated, for 25 or 30 years with Colonel J. Wesley Allison in various matters. But in 1909 and 1910, we were concerned most intimately with the St. Lawrence dam question. The House will remember the great struggle over the St. Lawrence dam. We visited Washington and Albany on a number of occasions and we were successful both in Albany and Washington, and finally in the Parliament of Canada, in preventing the passage of Bills for the damming of the St. Lawrence river. I found Colonel Allison on that occasion an absolutely disinterested and straightforward business man. That is why I chose Colonel Allison to act as my adviser, counsellor and guide in connection with the various matters that would come before us in connection with this war. I spoke to him about getting these goods out of the United States and into Canada. He told me that it could be arranged after consultation with the railway people; the goods would be shipped from the various places where they were manufactured to certain persons, all of whose names I do not know—I know some of them—and that these persons would have the goods transhipped from the point at which they had been delivered in the United States to Canada in bond. I may as well be frank about it and tell the House that, by arrangement with the Customs Department, these goods came right straight in and were passed on to their destination in England or to our own Canadian camps.

I have noticed that a question has been raised in the press about some goods which were brought in across the river at Morrisburg by Colonel Morgan, who was in the United States representing himself as an ex-member of Field Marshal Lord Kitchener's staff, and who had served in South Africa. Colonel Morgan, I believe, did send some samples to certain persons in this country, not for Canada at all, but to parties who were interested in getting contracts in Canada with the French, British, and Russian Governments. There have been some criticisms in regard to this and here I desire to say that we court full and fair discussion of all these matters.

I now propose to refer to the purchase of Colt pistols and revolvers. At the outset of the war I took the opportunity of discussing with the Prime Minister the policy that should be pursued in this regard. We foresaw that it was going to be a very great war and that the resources of the Empire would probably be strained to a considerable extent in meeting the demands. We therefore decided that, so far as possible—so far as possible, mark you, because it is not entirely possible to control these matters—the middleman should be eliminated, and that prices should be kept down to the fair, rock-bottom level. In connection with the purchase of the Colt pistols and revolvers, we knew that the rule that had been followed in 1899-1900 was to add a percentage for commission on the list price of revolvers. We knew that by reference to the books of the Auditor General's Department, and, mark you, I am not finding the slightest fault with it, because in a war like that, or even in a war such as this, every man is entitled to a fair compensation for the work he does. We knew that in 1899-1900, by reference to the Auditor General's Report, page Q—121, the Department of Militia and Defence purchased from an agent in Canada, when they could have brought direct from the Colt firm, 300 Colt double-acting army revolver; blue 7½-inches, ·45 calibre, at $14.50. The list price of this revolver was $13, at which the department could have bought them direct from the Colt Company. In the same year, 1899-1900, the department purchased from an agent in Canada, 400 new service revolvers, 5½-inches, ·45 calibre, at $15.50. The list price of this revolver was $14, at which figure the department could have bought them direct from the Colt Company. The list price for these goods to wholesale dealers in the regular trade carried a reduction of 10 per cent, 5 per cent and 2 per cent with duty extra. I am not saying that the commission of $1.50 each paid in 1899-1900 was wrong. I am here to say that in many instances it can

5 p.m.

be justified as being a fair, square deal all through, but the Auditor General's Report shows that a commission of $1.50, or upwards of 10 per cent was paid for these revolvers, and the same rule was followed right straight along the line. Compare this transaction of 1899-1900 with the transaction of 1914. The Canadian Government, in 1914, bought 70 Colt new service revolvers, 5½ inch .45 calibre, at $14 each, exactly the same revolvers as cost $15.50 in 1899, and under exactly the same conditions. In 1914 there was no commission. The Colt pistol is a modern weapon with a range of 500 yards. One government has purchased 200,000 and another government 300,000 of those pistols from the Colt Company. Other governments are ready to take them as fast as the Colt's Arms Company can fill the orders. This is the weapon that is used in the trenches and it is a rapid-fire, magazine loader, arm. The price to the United States, which has an arrangement by which they can manufacture one-third of the requirement themselves, is less than it is to any other Government. The Colt price to all Governments, excepting the United States, is $18.50. The trade price is lower but the duty raises it above $18.50. In my remarks recently, which will be found at page 300 of the unrevised Hansard, I read a letter from the Colt Company explaining the business arrangement of the company in this matter. It thus appears that in August, 1914, there was no commission whatever paid on pistols or revolvers of any kind and the Canadian Government obtained the lowest price paid by any Government; whereas, in 1899-1900, the Canadian Government, in addition to the regular list price of the revolvers, paid to an agent as commission, the sum of $1.50 on each revolver.

I might quote in this regard the evidence given by the Vice-President of the Colt Company recently before Sir Charles Davidson's Commissioin of Inquiry. Sir Charles Davidson put this question to the vice-president of the company:

Sir Charles Davidson: So far as you know, was there anything in the remotest degree which could be styled graft, or rake-off, or undue commiss'on, with respect to this?

Mr. Stone: Appertaining to any of this business, absolutely no.

Sir Charles Davidson: As regards the purchase of these pistols?

Mr. Stone: Absolutely no.

Sir Charles Davidson: Do I understand you to affirm solemnly that as regards your company it was a fair and honourable business transaction?

[Sir Sam Hughes.]

Mr. Stone: Absolutely yes.

Sir Charles Davidson: As to the price?

Mr. Stone: Absolutely so.

To summarize: In 1899-1900, Canada paid $1.50 commission on each revolver; in 1914, Canada paid no commission, and got the lowest price at which these pistols were sold to any Government. Canada paid the same price as do nations which are buying as many as 200,000 of these pistols.

On tri-nitro-toluol, picric acid, copper, brass, zinc, ammunition of various kinds, Col. Allison undoubtedly saved upwards of $50,000,000 to Great Britain and Canada. Even when the British Government wanted a hundred rifles for testing purposes, they applied to Col. Allison for them.

Take, for instance, copper and zinc. We found that the prices of these metals were soaring rapidly and that there was a great shortage in Canada. I took the matter up with Col. Allison and we decided to bring about, as far as possible, the refining of copper and zinc in Canada, and in that way we would have a double string to our bow and be able to control to a certain extent prices in the United States. As soon as our decision became known, the trade combine formed in the United States fell to pieces and the prices dropped.

Early in the war the British Government asked us to purchase ammunition for them in the United States. At a meeting held in the little village of Moira in the Adirondacks—I have nothing to conceal, nothing that any loyal gentleman may not hear—there were present gentlemen from the United States interested in various commodities required for the war, and amongst other things the question of ammunition for the British Government was discussed. For some weeks the prices quoted in Ottawa by numerous concerns for Mark VII ammunition ranged from $37.50 to $42.50 per thousand, because the manufacturers had not made it before and they wanted to be on the safe side, and in our own arsenal at Quebec this ammunition is worth $36. Nevertheless, through the influence of Col. Allison with these manufacturers, we were able, in one day, to get the whole of that class of ammunition at $33 per M rounds, thus saving the British Government $4.50 per M rounds, or $337,500 on the whole order. Now, Col. Allison, had he been so inclined, might have divided up that amount with the manufacturers. The price of Mark VII ammunition has, neither before nor since

that date, been nearly as low as $33, and no ammunition purchased in the United States by Great Britain has proved so good.

When we were discussing with Col. Skinner the question of Colt's revolvers and pistols the latter asked the question: "Is there to be a commission on these? If there is it must be added to these prices." That was the system in vogue in 1899 and 1900, and it was the usual custom to add on the commission. I am not complaining about the custom; I am merely explaining that, as far as Canada was concerned, nothing was to be added to the prices, and that at the close of the war we should endeavour to recompense Col. Allison in some other way, because he has consistently refused to take any commission, although he has had to pay out money in express and freight charges, and I hope he has kept the bills. I know that he was advised to take a proper commission on purchases which he effected for France, Russia, and Great Britain, but on such work he has refused to accept more than fifty per cent of what was offered him for his services by those ocuntries. To Col. Skinner's question, Col. Allison, without a moments hesitation, said that not one cent whatever would be taken out of the pockets of the Canadian people for any transaction in which he was concerned.

In purchases of motor trucks Colonel Allison has saved the country hundreds of thousands of dollars. In one day, by getting together a number of experts in the city of New York, he saved the French Government upwards of $1,000,000 because of the way in which he handled the matter. The question is simply one of following the prices and not accepting the catalogue retail prices, but getting the regular wholesale prices to the trade. It was through Colonel Allison that I met Colonel Thomas who has been instrumental in carrying on this work in Canada.

When the First Division went over to France, 51 motor trucks were taken with them. An objection was raised that these trucks cost $2,800 plus $200 for freight, handling on the other side, and certain repairs, making a total of $3,000 each. We turned them over to the British Government and took over from them 51 other trucks at a cost of £55,000, or $5,240 each, a net advance of $2,240 on each truck. Those first trucks, I may say, are still running in England. Colonel Allison showed me how to obtain wholesale rates, and on 476 motor trucks which we have already purchased at a cost of $2,800 each in Canada, plus $200 for freight to land them in England, we have thus saved a total of $1,066,240. Had Colonel Allison stood in with the sellers of those trucks, he could have let them be sold at the high price. Hon. members on both sides will remember the trouble that we had when we fought, not for days, but for weeks and months, to smash the combine and bring down the price of these trucks to $2,800. Through the agency of this officer we brought the price down, and Canada is to-day the only country in the world that is able to purchase motor trucks at wholesale prices. Had Colonel Allison stood in with the manufacturers, he could have got a rake-off on this $1,066,240; or, had he taken a commission at the ordinary rate of 10 per cent, on a purchase of $2,500,000 worth of trucks, he would have pocketed the neat sum of $250,000, whereas he has never pocketed a single cent, although he has received considerable abuse. The purchases of Lewis guns amounted to $3,395,297, so that Colonel Allison's commission, had he taken one, would have been $339,529. The purchase of Colt's guns, pistols, and revolvers, amounted to $754,426. Had Colonel Allison taken his commission, there would have been $75,442 taken from the taxpayers of Canada. The purchases of cartridges amounted to $31,533, so that there might have been a rake-off of $3,153 there. On motor trucks we made a saving of the difference between $5,240 and $2,800, that is, $2,440 on each truck, or on the total purchase of 476 trucks, a saving of $1,161,440. Spare parts of cars to the value of $300,000 were purchased, the commission on which in the ordinary way would have been $30,000.

The total of these purchases in the United States for Canada was $5,814,056. Had there been a commission charged in the ordinary way, that commission would have amounted to $1,609,564, and the total cost would have been $7,423,620. So that the total saving under what you may call the Hughes-Allison system, is over $1,600,000. This saving was effected in the purchases we made in the United States alone.

I come to the question of fuses, and I doubt not that what I have to say on that subject will be startling to some hon. gentlemen. I do not wish to indulge in personal criticism, or to say anything to make any hon. gentlemen opposite feel aggrieved; but I have here the facts and figures, and I challenge the freest and fullest inquiry into

them all. In 1914, we took steps to have fuses manufactured in Canada. Every firm that any one could even dream of as being likely to indulge in the manufacture of these commodities was approached, and not one firm in Canada could be induced by any offer of assistance to go into the manufacture of these fuses. Any one could see that fuses would be needed. Later on, an order came to the Shell Committee from the British Government for 4,000,000 fuses. I had nothing to do with this—as I have had nothing to do with the Shell Committee—other than to ask the same gentleman to make sure that the lowest possible prices were obtained. I may say that I knew that the raw material for these fuses—time fuses—cost, before the war, $1.90, which included 24 cents royalty to the Krupp firm. This is the same fuse that we are making to-day. I realized that under the conditions prices would be almost sure to double, if not more, but still I thought that they should be obtained at that price. Imagine our surprise when Col. Bertram told me that they were asking $6 apiece for these fuses. I sent for Col. Allison and said to him that this price was absurd, that we should get them for easily half that, and so fire two shots instead of one at these gentlemen who are seeking to overthrow the liberties of the British Empire and of the French nation. Col. Allison brought the price down to $5.10; later, to $4.90, which is the lowest price for which I have heard of any company in the United States, the Morgans or any other, making fuses for the British Government. Later, Col. Allison brought the price down to $4.50, and, by still further organization, to $4.25. Contracts were made at this price of $4.25 for these time fuses. But, owing at least in part to the fact that a number of firms in the United States had been blown up, and there was more or less of the "German peril" idea abroad, they refused to take the contract, and it remained at $4.50. Thus there was a saving of 40 cents on each fuse, or a total saving to the British Government of $1,600,000 in that one deal alone.

Then the president of the Shell Committee informed us that a rush order had come in for No. 100 fuse for the high explosive shell. This is not a time fuse. All that we could ascertain about it was that it was being made in Great Britain for $3.75. A contract was let in the United States at $4—and I may say that Colonel Allison never heard of that contract until it had been let. Subsequently, a month later, a contract was let at $3.50, with the price of $4 to a firm in Canada, who, I believe, got their fuses largely made in the United States.

Speaking of these matters, I received this morning from Colonel Skinner, head of the Colt's Patent Fire Arms Manufacturing Company of Hartford, Conn., the following:

28th February, 1916.

To Major-General Sir Sam Hughes:

Dear General Hughes,—At the suggestion of Mr. Archie MacFarlane, the Canadian representative for the Colt's Company, I am sending you my affidavit covering details of sales of machine guns and pistols to your Government at the beginning of the war and since. I have tried to cover the points named by Mr. MacFarlane, and trust that I have done so in a satisfactory manner.

Sincerely yours,

Wm. C. Skinner.

I, William C. Skinner, of Hartford, Connecticut, chairman of the Board of Directors of the Colt's Patent Fire Arms Manufacturing Company, being duly sworn, do depose and say:

1. That on account of personal friendship between Major General the Honourable Sir Sam Hughes and myself, the Colt's Patent Fire Arms Manufacturing Company has given preference to Canada in regard to the execution of orders for machine guns and pistols, and particularly in the matter of giving the Government of Canada options for the purchase of machine guns, such options extending over a much greater length of time than the company has accorded to other governments.

2. That on account of the promptitude of the Department of Militia of Canada in placing its first order for machine guns after the outbreak of war it was granted a price of $600, which was the price for similar guns and equipment to the United States government, and no sales of machine guns of similar type and equipment have been made to any other foreign government since the outbreak of war except at a higher price.

3. That the price of the said machine guns and equipment as quoted to the Canadian Government was later advanced from $600 to $650, such increase being due to the greatly increased cost of labour and materials, and this advance in price applied to all other sales made by the company to other nations. A number of the sales made to other nations were for much larger quantities than were covered by orders from the Canadian Government.

4. That the price charged the Canadian Government for automatic pistols, Cal. .45, namely $18.50, was the same price at which the company has sold to all other governments since the outbreak of war with the exception of the Government of the United States, for which Government the pistol was expressly designed and with which Government the company has a special contract.

5. That nothing was added to the selling price of machine guns, pistols or revolvers sold to the Canadian Government for commission or selling expenses and that the Canadian Government could not have obtained these these machine guns, pistols and revolvers from any other source at lower prices than those paid by it to the company.

William C. Skinner.

Sworn and acknowledged before me at the city of Hartford, Conn., this 28th day of February, 1916,

Arthur L. Ulrich,
Notary Public.

I wish to enter into the details of these matters as fully as possible. Another question which has arisen, and which has been discussed very much, is that concerning the Canadian trench shovel. This shovel was invented at the Swiss manoeuvres in 1912-13. It was realized in some quarters when this war broke out that it would be a trench and shield war. I may recall that when war was declared I drew attention to the fact that the war was going to be a trench war, and that, at the Prime Minister's request, I sent a cablegram across the water dealing with this aspect of the matter. It was realized at the outbreak of the war that no troops could possibly advance against machine guns and rifles; and during the course of the fighting it has been proved over and over again that this cannot be done. It cannot be done and will not be done, unless at the conclusion of the war auxiliary means of covering the advance are provided. The shovel to which I have refered has since formed the model for the trench and shield shovels, some for one, some for two, and some for three men, used by the French, Prussians and British in trench work. Inquiry was made from the United States and British firms as to the prices at which these shovels could be manufactured, but the prices were all too high. The lowest price I got at first was between $4 and $5; the highest price was $6. After a number of experiments had been carried out, the Midvale Company evolved a process of making them more cheaply, and they came down in their price to $1.35. The Midvale Company, in order to cover themselves legally in the premises, asked the inventor and the minister if there was any royalty; and the reply in each case distinctly was that there was no royalty whatever. The Russian Government offered the inventor 5 cents a shovel on 1,000,000 shovels, but the offer was declined. The question of delivery arose. The shovels had to be shipped to Col. Allison, or to some one named by him, by whom they were transferred to this side of the line at no cost to the Canadian Government. When the first contingent sailed the straps and fastenings were not ready, and these shovels were left in England. They were not the only things that were left in England at that time. Fifty-one motor trucks were left there, as well as wagons, harness, saddles, water-carts, boots, field kitchens and valise equipment. When the second division went across, I put my foot down. Our goods had stood the wear and tear of training in England, and I could not see why they should not stand similar conditions in France. We took steps, therefore, to secure as far as possible the use of our own materials at the front.

The board which was subsequently requested to look into this matter reported that the Canadian supplies were thoroughly serviceable.

Another matter which has been exercising public attention to a considerable degree is that of the Ross rifle. I shall not go into the history of this matter, for it has been gone over again and again in days gone by. Suffice it to say that the Lee-Enfield was not a success in South Africa. The Ross rifle, having a straight pull, had commended itself to many; trade rivalry sprung up; opposition came from people who opposed the spending of any money on rifles, and, for this and other reasons, the Canadian rifle was bitterly opposed. The Mark 3 Ross rifle is an excellent weapon; it has the same calibre as the British rifle, and takes the same ammunition. The fact that the chamber—not the groove or the barrel—of the Ross rifle was two-thousandths of an inch smaller than the chamber of the Lee-Enfield was claimed by some to be the cause of the jamming of the cartridge in the barrel. The reason was this: The Canadian-proved rifle is the same as the British-proved rifle. The steel elastic limit of the British rifle is only 48,000 lbs. to the square inch, while that of the Ross is 76,000 lbs. With the Lee-Enfield a proof charge of 50,000 pounds caused the chamber of the rifle to be raised .462 instead of .460. However, the Canadian rifle has been reamed out and enlarged to .464, and, as the British rifle has been similarly treated, the two rifles are now the same size. The difference of two-thousandths of an inch made it more practicable for both rifles to take the defective cartridges which were found all through the service. These rifles were reamed out because different brands of ammunition issued by the British Government were found to be defective. As they contained brass, and were very soft, they would stick in the gun when they were fired. Frequent tests have been made with this ammunition, and in every instance the Canadian rifle has gone more rounds than the

Lee-Enfield before jamming. I may mention that that bad ammunition was all withdrawn from the lines, and no trouble has since been experienced. No charge of jamming in either rifle has been made for many a day.

An hon. MEMBER: Where is Canadian ammunition made?

Sir SAM HUGHES: At the city of Quebec; also at points this side of Montreal.

Mr. LEMIEUX: Is there any truth in the rumour that it is the intention to transfer the ammunition factory from Quebec to Lindsay?

Sir SAM HUGHES: The factory at Quebec will remain there.

Mr. MACDONALD: Do I understand the hon. minister to say that the Ross rifle has given absolute satisfaction?

Sir SAM HUGHES: I will make that clear before I get through; if I do not do so, I shall be glad if my hon. friend will repeat the question. I shall not go into the details of the arguments advanced by those who have opposed the Ross rifle, but I wish to call attention to a strange incident that occurred at the time of the battle of St. Julien. It having been found that a number of the rifles were jamming, ten questions were circulated among the Canadians, as follows:

1. Do you find the Lee-Enfield better on account of its being lighter?
2. Do you find the Lee-Enfield to be handier on account of its shortness?
3. Do you find that the bolt in the Lee-Enfield does not jam as much as in the Ross?
4. Is the aim not quicker with the Lee-Enfield owing to the sights?
5. Do not the heavy lugs guarding the foresight on the Lee-Enfield give an approximate aim at night which the ring on the Ross does not?
6. Does not the magazine of the Lee-Enfield hold ten cartridges while the Ross holds only five?

So far as that last question is concerned, I may say that every rifle in the world, the Lee-Enfield included, has five cartridges in the magazine. The next questions are:

7. Is it not true that the magazine of the Lee-Enfield allows for cleaning, while that of the Ross does not?
8. Does not the charger clip guide on the Ross allow too much play, making loading difficult?

I may say that not one of the suggestions made in these questions is justified. The next question is:

9. Does not the bayonet on the Ross work loose in rapid firing?

[Sir Sam Hughes.]

The same may be true of any rifle. The last question is:

10. Is not the bayonet too short and thick?

This question I shall take up later. These ten questions were circulated in the Canadian division just before the battle of Ypres. If they were not circulated by some person in the hope of causing the Ross rifle to be distrusted, I should like to know what they were circulated for. The fact stands out that the Canadian forces, armed with Canadian rifles, held at St. Julien as no troops ever held before in the history of the world. There was some bad ammunition, and undoubtedly some of the rifles did jam, just as the British rifles jammed. Owing to the jamming of their Lee-Enfields, two British regiments were forced to retire after firing scarcely a shot. They had this bad ammunition, and their rifles jammed. The Durhams and Yorks, two of the finest regiments in the British service, were fighting with rifles that were useless, owing to the condition of the ammunition, and were forced to retire at various points, just as the other regiments were forced to retire at various points, not because of the men, but because of the bad ammunition that was served out to them. At Festubert the Canadian Division, armed with the Ross rifle and fair ammunition, met with grand success, advancing 2½ miles, and it was the only advance made along the whole line. The troops armed with the Lee-Enfield made no advance, and that is charged up to bad ammunition. At Givenchy, our troops were armed with the Lee-Enfield, and, as is well known, we did not succeed in making an advance there on account of the bad ammunition. With regard to the bayonet it is now giving general satisfaction. I have this report here from Colonel Helmer on the bayonet:

Memorandum re Bayonets, Ross Rifle.

1. The Ross rifle bayonet was adopted with the idea of furnishing a combined tool and weapon; being of the knife pattern and strongly constructed, it fulfils both requirements.

2. No criticisms have been received from overseas regarding this bayonet, except that it is too short; but it must not be forgotten that the fighting length of the Ross rifle and bayonet combined is equal to the Lee-Enfield and American rifles, i.e., long rifle, short bayonet, short rifle, long bayonet.

3. Extremely long bayonets such as the French, Russian, and German, are inconvenient to carry, and for penetrating purposes none of them is superior to the Ross rifle except the French, which is of the stiletto type but useless for other purposes.

4. Long bayonets, as compared with short, are a decided disadvantage in a fight, in that they are less easily carried. In addition if a man "gets home" with a long bayonet, the wea-

pon is likely to go clean through the body and protrude, making extraction difficult and placing the man, who has momentarily succeeded, at the mercy of any one who attacks him. "A short quick jab and get clear" is the safest rule in bayonet fighting, and this is difficult with a long bayonet and rifle.

5. The honourable the minister has given instructions that the bayonets for overseas are to be ground so as to provide a fine sharp point. It is understood that these instructions are now being carried out at the factory and inspection branch. This will eliminate any reasonable ground for criticism.

R. A. Helmer, Colonel,
Director of Musketry.

The bayonet was designed a number of years ago under the direction of my predecessor. We call it the Lake bayonet, because it was designed by General Lake, one of the best soldiers in the British Empire, and who is now in Mesopotamia. The Committee on Small Arms assisted General Lake in designing this bayonet. The one objection I had to this bayonet was that it had a bulge at the point, but we have now had the bulge removed, and all the soldiers of the Canadian Division think that it is as perfect a weapon as there is in the world. To show what it can do, I need only mention that at St. Julien 2,000 Canadians entered a wood one night against 7,000 Germans, and only 1,000 Germans left the wood alive.

Mr. MACDONALD: What is the present status of the Ross Rifle? Is it popular with the soldiers at the front?

Sir SAM HUGHES: All reports that I have received are to the effect that it is giving splendid satisfaction. Only a short time ago, a gentleman came to me with a letter from his son at the front, saying what a splendid weapon it was. The Ross rifle, in fact, is such a splendid success that the Canadian soldier has to sleep on it or the British soldier would steal it from him. Now that the bad cartridges have been eliminated, there is no trouble with either of the rifles being used at the front.

Mr. LEMIEUX: Then the statement in the Canadian Courier last year that the Ross rifles were discarded by our boys is untrue?

Sir SAM HUGHES: The rifles were not discarded. As the House will understand, a number of our rifles were lost at St. Julien, and the first division were then given the British rifle. I do not know whether the first division have yet received the new weapon we are making, but as soon as the rifles are made the whole Canadian army will be armed with the Ross rifles. At the present time all our troops except the first division are using the Ross.

In regard to medical examiners, I might point out that we have now a new system. Under the old system we found that recruiting was greatly embarrassed by reason of the fact that there was only one examiner in each district. We have altered that, and now the officer in command can appoint an examiner in any centre to examine recruits. The examiner is given fifty cents for each recruit examined. This new system is more economical, and much more convenient to the boys.

Mr. COPP: When did this new arrangement go into effect?

Sir SAM HUGHES: About a month ago.

Mr. CARVELL: Examiners only get fifty cents a man?

Sir SAM HUGHES: That is all they ask.

Mr. CARVELL: If all the minister's expenses were as economical as that we should have little to complain about.

Sir SAM HUGHES: I think we are enlisting the sympathy of the medical men. They have done splendid work, not only the military examiners, but civilian doctors too. I understand from my deputy that fifty cents per man is all they wish to take. They want to deal fairly and squarely with the country.

Mr. CARVELL: What was the previous system of medical inspection?

Sir SAM HUGHES: The medical officer attached to each regiment would go all over his district examining recruits. It took the examiner in my county about five weeks to cover his district.

Mr. CARVELL: How was he paid under the old system?

Sir SAM HUGHES: He got his regular pay, and travelling expenses.

Mr. LEMIEUX: Has the regulation in regard to height been altered?

Sir SAM HUGHES: We still have the old regulation. I may say that we are raising a couple of bantam regiments.

Mr. TURRIFF: It was said that at Kingston last year there were a number of soldiers in the camp who had been passed by doctors not connected with the militia. After they had been in the camp for a considerable length of time, these men were

re-examined by the military doctor, and some of them rejected. I understand that these outside doctors got $2 a piece for every recruit they accepted. Is there any truth in this report?

Sir SAM HUGHES: I think there is more or less truth in the statement of my hon. friend. That is partly why we have adopted this new system. It will prevent anything of that kind happening again, and will expedite the work generally.

With regard to recruiting officers. Last year, when I was out of the country—I am not shirking any responsibility in this matter, but am just mentioning that it was done when I was in England—recruiting officers were appointed all over the country, whether military men or not. In many instances these men were excellent officers, but in other cases they were absolutely useless, and yet were kept on pay. In the month of November last we adopted a new system of recruiting. We issued the order that all these officers must attach themselves to an overseas battalion or retire, and most of them have since undertaken overseas service. We have an officer supervising the whole work, with headquarters here at Ottawa.

With regard to the billeting of troops, I am sure that our new system of billeting the boys in the small centres has met with general approval. The tendency hitherto has been to keep these troops in the larger centres, and that of course did nothing towards creating any local spirit. Under our new system there is hardly a county in Canada to-day that has not soldiers billeted all over the district. I am pleased to learn from both sides of the House, and from men of all shades of politics, that our new system of billeting is giving satisfaction. Unfortunately, one or two officers on their own responsibility undertook to order the men into larger centres. This was done without the knowledge of headquarters, and as soon as we found out we promptly stopped it.

Schools of instruction had been opened in every division, and also in cities such as Ottawa, for example. Recently, a number of members on both sides of this House, animated with the laudable desire to acquire a knowledge of drill so that they would be prepared in case of necessity, desired to have a school of instruction opened for their benefit at Ottawa. Some of these gentlemen were men up in years, business men not accustomed to getting up early in the morning, such as my venerable friend from Souris (Mr. Schaffner); my hon. friend from Moosejaw (Mr. Knowles) and my hon. friend from Missisquoi (Mr. Kay), were also in the class. I believe they all managed to impress the instructor so favourably that he is giving them all a certificate of some kind or another; I do not know just what the details are. I am sure that there is not a man of them who, altogether apart from the war, does not regret that he did not start training when he was a boy, just for the benefit to be got out of it. It makes them better men.

There is another matter to which I desire to draw attention, and that is the question of promotion. There are three forces, the forces in Canada, the forces in England, and the forces at the front. It goes without saying that the heart of every good fellow in the country is with the boys in the firing line. The soldiers in England have no claim to more favourable consideration than the soldiers in Canada; if any favours are to be given, they should go to the boys in the firing line. We had not a definite system until recently. No one ever dreamed that the war was going to last so long, otherwise we would have adjusted matters earlier. But we have now got the matter on a proper footing, and the boys at the front will no longer have reason to complain in regard to lads who were their juniors in service when they left Canada getting priority in any company or regiment. In other words, the first consideration in the matter of promotion will be for the boys in the firing line. We will regard the forces in England and the forces in Canada as on the same footing I can see no reason why a man training at Shorncliffe should be given consideration in preference to the boys in the camps in Canada. I believe that that is a course which will meet with universal approval. As the House knows, promotions are made on the recommendation of the commanding officer of each regiment. I might add that the same holds good in regard to honours for heroic conduct in action; we do not interfere in any sense whatever, though, of course we rejoice when we hear of a man winning meritorious recognition.

All the little difficulties in connection with the Valcartier camp ground are being satisfactorily settled. I will now present to the House a return of 29th February, 1916, showing the number of troops enrolled in the Dominion of Canada. In No. 1 district, which includes western Ontario,

there are 23,560; in No. 2 district (Toronto), 60,360; in No. 3 district (eastern Ontario), 27,856; making a total for the province of Ontario of 110,676, and nearly all are in readiness for the front.

In No. 4 district (Montreal), there are 22,926 soldiers; in No. 5 district (Quebec), 5,212, a total for the province of Quebec of 28,138.

In No. 6 district, which includes the Maritime Provinces, there are 24,198 soldiers enrolled—I have not the total for each province separately. In No. 10 district (Manitoba and Saskatchewan), there are 50,710; in No. 11 district (British Columbia), 24,368; in No. 13 district (Alberta), 24,424; the total for the four western provinces being 100,002.

Exclusive of officers, therefore, the total number of soldiers enrolled and on duty is 263,114. The number of officers is 10,468, which brings the total to about 275,000 troops, ready for overseas service.

Reference has been made to patronage. Every one knows that so far as the Department of Militia is concerned, the patronage list practically vanished at the outbreak of the war. If any grocer in the riding of any hon. member happens to get an extra bit of patronage, I do not know anything about it; we have not time to bother with such small things.

Mr. MACDONALD: It is all very well for the minister to say that there is no patronage list, but it is the case that when supplies are needed for the troops it is the friends of the Government who get the contracts. If the hon. minister is not responsible, who is?

Sir SAM HUGHES: In my own town, which is in the district under the officer commanding at Kingston—the district of my hon. friend is under the officer commanding at Halifax—two or three honest Grits are—I will not say enriching themselves—but getting a fair share of contracts.

Mr. CARVELL: Will the minister tell us how many Grits are getting a share in the town from which I come?

Sir SAM HUGHES: Are there any there?

Mr. CARVELL: I had a majority of 79 at the last election, and I will double it at the next election. Not a single Liberal has got a dollar's worth from the Militia Department, and at present we have 500 soldiers there.

Sir SAM HUGHES: I am glad there are so many soldiers, but I say, and I challenge contradiction, that we have not interfered. We have no time to look after the peddling of groceries.

Mr. MACDONALD: There is no use in my hon. friend saying that there is no patronage list. If the men who have charge of the distribution of these matters have a patronage list, then my hon. friend is not stating a fact. The minister can settle the question by giving directions to carry out what he says is his view.

Sir SAM HUGHES: My hon. friend knows that so far as headquarters is concerned, and I challenge contradiction, we have not a patronage list in connection with our contracts. I do not know anything about these local affairs; it is the first time that my attention has been called to them. I have had complaints over and over again from Conservative members of Parliament who demanded my scalp because I had let Grits get contracts in various centres. The Prime Minister has been bombarded, and I have been bombarded with letters from Tory friends, because contracts have gone to Grits; I have had ten complaints of that character for the one I have had from Grits. But I have not paid any attention to them. They cannot all get contracts, and complaints about groceries are not worth attention.

Mr. MACDONALD: Last year I happened to be a member of a committee that investigated certain matters connected with the Militia Department and an officer came before that committee and distinctly swore that there was a patronage list in the department. That statement was made under oath.

Sir SAM HUGHES: We had a patronage list in the department before the war broke out, but so far as I know, after the war broke out, that patronage list received no consideration. The cases of a number of gentlemen, who had obtained contracts were reported to me, and I found that two of the firms, about which there was the most talk, were Grit firms, and representations were made that they should not get contracts. I refused to entertain any such objections.

Mr. MACDONALD: The statement made before that committee by an officer of the department was that at that time, last spring, when the war was on, there was,

and had been for months, a patronage list in the department. The question is, is there, or is there not, a patronage list in the department? My hon. friend says there is not, which indicates, I assume, that the minister thinks that the proper way to do business is to dispense with such a list. Has there been a change since last year; has the patronage list been abolished since last March?

Sir SAM HUGHES: I know nothing about a patronage list last year. I know that there was a patronage list before the campaign came on, and I am not sure that I was very much enamoured of it. There has been no patronage list in connection with this war in the Militia Department as far as I am concerned, or as far as any officer with whom I am in touch is concerned.

Mr. CARVELL: The minister evidently could not have heard what took place in the Public Accounts Committee yesterday morning, when Mr. Brown, the purchasing agent of the department, stated there was a patronage list, and that it had been made up after 1911. We asked him if he could produce it, and he said he could. We expect to have it before the committee tomorrow morning. He told us that down to last May he had bought from that patronage list and that since May he has been buying under the instructions of the War Purchasing Commission. They send instructions to him, and when they want him to buy a certain article they tell him how to do it. Sometimes he buys from his own patronage list and sometimes he buys from a list of names that the War Purchasing Commission has given to him.

Sir SAM HUGHES: That is all under the War Purchasing Commission; I have nothing to do with that.

Mr. CARVELL: But it is done by the minister's department, and his own purchasing officer swore to it yesterday.

Sir SAM HUGHES: Only recently the hon. member for Ottawa berated me very severely because certain Liberals were getting contracts from my department.

Mr. CARVELL: You could not satisfy the member for Ottawa.

Sir SAM HUGHES: Let me say here that ever since this war began I have refused to allow patronage or politics to influence me in any shape, manner, or form, in regard to the appointment of men to office, or the awarding of contracts. Unfortunately, some of my Conservative friends say that I have appointed too many Liberals. As long as they are good men it makes no difference what their politics may be, but once they show that they are not out they go, whether they are Liberals or Conservatives. As far as the peddling around of $200 or $300 worth of lumber or potatoes is concerned, I have not given any attention to that, and I do not intend to. If I cannot trust my officers to look after things of that kind they are not fit for their jobs.

Mr. W. M. MARTIN: Does the hon gentleman know anything about a patronage list in the city of Regina?

Sir SAM HUGHES: I do not know anything about it. How could you expect me to keep such things as that in my head?

Mr. MARTIN: I know that in the city I reside in no person but a Conservative can serve a meal to a soldier, and I am told that no person but a Conservative can shave a soldier. The minister knows the trouble that developed in Regina some months ago in respect to the patronage system that existed there.

Sir SAM HUGHES: Who found it out?

Mr. MARTIN: I do not know whether the minister found it out or not, but there is a great deal more, I believe, that might be told and that the minister does not know. If the minister does not want to go into it now we might take it up at some other time.

Sir SAM HUGHES: I would like to get through before six o'clock. I may say that we have carried out our ideas with regard to the development of our citizen soldiers. There is a tendency in many lands to place the citizen soldier in a subordinate position to that of the regular soldier. My idea always has been that the citizen soldier, properly trained, is superior to the man who is not properly trained, and this country has exemplified that fact. We have followed certain original ideals and ideas, and we have tried to hold a firm hand. Our decisions have to be rendered rapidly, because there are questions coming up every day, and we have always tried to be fair. I think I am justified in saying that every one of our decisions, and actions, has met with the approval of the men against whom they necessarily had to be directed at the time. There are only one or two instances in which our decisions have met with opposition. We have necessarily had to offend some contractors who wanted favours at the hands of the department and some offi-

cers who were seeking places which the officers of my department thought they were not entitled to. There are certain other people who have raised disturbances but they are comparatively few in number, and, taking it all in all, I cannot but express my appreciation of the splendid assistance which the people of this country have given us in the strenuous work which the war has imposed upon us.

I want to express my appreciation of the treatment accorded me on this side of the House by my Conservative friends. If any of my Conservative friends asked me to do anything which it was not possible to do, or to have done in their ridings which could not be done, when I explained the case to them, in every instance, I found them absolutely square and sympathetic and quick to see my difficulties. I want also to express my appreciation of the attitude of my hon. friends on the Liberal side of the House, who have been, all in all, very fair in this matter. Some of them have been more than fair and there have been very few who have not been straight and just in their attitude towards me. I wish to express my appreciation to these gentlemen for their conduct in the premises.

At six o'clock the Committee took recess.

The Committee resumed at eight o'clock.

Militia and Defence—allowances active service, $100,000.

Mr. CARVELL: Mr. Chairman, before you go into the consideration of this item, I would like to make a few general observations with reference to the very mild and gentle speech delivered this afternoon by the Minister of Militia and Defence. I am a great admirer of the minister, because he has the most wonderful faculty of coming before the House of Commons, shooting off a lot of hot air, getting it into the newspapers the next morning, and getting away with it.

Mr. GRAHAM: His organization is perfect.

Mr. CARVELL: Yes, and I think he has surpassed himself this afternoon; he has out-Hughed Hughes and Allison put together. If I could sum up his arguments under headings, I would say that the first heading is that there have been no politics and no patronage in the conduct of the affairs of the Department of Militia and Defence since the beginning of the war in August, 1914. In fact, I do not think he discussed anything regarding his department prior to that date, and therefore I do not intend to refer to anything prior to that date myself. I want to call my hon. friend's attention to a few matters which took place about a year ago, and I am sure my hon. friend's memory can go back as far as that, because he has told us of things which have happened as far back as the outbreak of the war. He has told us that there have been no patronage and no patronage lists, and that he has bought things from Grits and Tories, from everyone who had anything to sell. Now, I wonder what he has to say about a few of the war purchases that we investigated in the Public Accounts Committee last session.

Let us take, for instance, the purchase of binoculars. There is in the city of Ottawa a very estimable gentleman, Mr. Birkett, whose father is a hardware merchant, and I believe a very honourable one, a man who at one time occupied a seat in this House. This young man, according to the evidence, was a clerk in his father's business, and he never saw a binocular in his life except to look through it. He would not know anything about a 6 millimetre binocular or a 10 or 12 millimetre one any more than I would. Nevertheless this young man formed himself into a company called the Ottawa Supply Company, which was put on the patronage list. This company could not purchase binoculars themselves, because they did not know how to go about it, so they went to our good friend Sam Bilsky, who is a Liberal, and who knows how to buy binoculars; they allowed him a commission of $5 apiece, and they went down to New York and bought a lot of cheap binoculars at prices ranging from $7.50 to $25 each. They brought these binoculars to Canada and handed them over to one of the boys, and the Government bought the binoculars at $10 more than the original price. There was thus a rake-off of several thousand dollars. I do not care whether you call it patronage or not, but if Birkett had not got his name on the patronage list, he would not have been able to sell binoculars to the Government.

Mr. KYTE: The Government would not buy from Bilsky.

Mr. CARVELL: Certainly not. Bilsky was a Grit, and although Bilsky tried over and over again, as only gentlemen of his race know how to try, he could not get his name on the patronage list.

Sir SAM HUGHES: If my memory serves me aright—and I think it will be found fairly accurate—it was Colonel Hurdman,

a gentleman whom I retained in my service, who made this deal, whether good, bad or indifferent, and the matter was taken up later on by Mr. Mason. The whole thing was started by Colonel Hurdman, a Liberal in whom I had confidence.

Mr. CARVELL: The hon. minister need not hit back at us this evening after being so kind to us this afternoon. Colonel Hurdman is not on trial. The people of this country do not care two straws who Colonel Hurdman is or whether he ever was in the business at all.

Sir SAM HUGHES: Colonel Hurdman had no list whatever; he made this deal off his own bat.

Mr. CARVELL: The people do not care whether Colonel Hurdman is a Grit or a Tory, a Jew or a Gentile, or whether he has any politics at all. The Minister of Militia and the officers of his department are responsible for this deal, and those officers are working under the instructions of the minister and in the Public Accounts Committee last session we had cases of men being put on the patronage list on the express instructions of the minister. These are all matters of record and sworn to by witnesses and if the minister had had the time to attend the sessions of that committee as some of the rest of us had—and it was rather strenuous three weeks, but some of us had the constitution to stand it out—he would know what we and the public know. The difficulty with the minister is that he has been living in a fool's paradise; he does not think that we know what has been going on. I want to tell the minister—I am not saying this as a threat—that before this session of Parliament closes, he will be surprised at the information he will receive. It will amaze him and I think it will do him good, because many men are benefited by getting information, and I think the minister is one of them.

Let us take another matter that was brought to light in the Public Accounts Committe last year—the purchase of some bandages from a former member of this House, Mr. Garland. I am not going into the details of that unfortunate and regrettable transaction, but Mr. Garland took an innocent young clerk in his office and, through the political machinations of the political friends of the minister in this city, he was able to have him placed upon the patronage list, and no man could sell bandages except through this man. Mr. Shaver the Toronto representative of Bauer & Black, the largest producers of bandages in America, came to Ottawa wanting to sell these goods to the department at a fair price. He swore he was willing to do so, but stated that the department would not talk to him at all, and the only answer he could get was to go to Mr. Powell, a young man twenty-one or twenty-two years of age, a clerk in the store of the late hon. member for Carleton, Ontario, not for Carleton, N.B., thank Heaven! The result was that this young man received about $10,000 more than he was entitled to, and more than Bauer & Black would have sold the goods for; but there was a patronage list; there was politics in the deal, and the Government would not buy from the men who had the goods and wanted to sell them, but they did buy them through politicians, thus losing $10,000. It is, of course, true that, through the ventilation of this matter in the Public Accounts Committee, the country got back the $10,000, but that does not palliate the crime at all.

Then there is something about horses. I am not going into the question of the Peel election; I am far from going into anything like that, because I do not believe in recriminations. The people of the county of Peel have settled the matter themselves, but does any man mean to tell me that Mr. Fallis thought of buying horses without having been put on the scent by someone in power? The idea is absolutely absurd. I do not know whether Mr. Fallis' name is on the patronage list or not, but it is patronage just the same. We have to treat the ordinary affairs of life from the standpoint of the ordinary individual, and Mr. Fallis did not set out on this business of his own accord; he did so because of instructions from some one higher up. And so one might cite cases without end.

In the Public Accounts Committee during the last week we have been investigating a little matter of a few hundred dollars, although such a small amount is of no importance the way money is flowing nowadays. The department wanted to buy a few thousand feet of lumber in the city of Ottawa. As they needed the lumber in a hurry, I can quite understand that they could not call for public tenders for such a small quantity, because sometimes lumber ordered in the forenoon has to be delivered in the afternoon. Instead, however, of going to the lumber dealers in Ottawa—and if there is a city in Canada where there are bona fide lumber dealers, it is the city

of Ottawa—they went to this infernal patronage list, and a clerk in a real estate office, a Mr. McGee, who by the way has a brother who is a partner of the senior member for Ottawa (Mr. Fripp), managed to get his name on the patronage list. This was on the ground, as set forth in the Public Accounts Committee a few days ago, that he and his father were interested in a little planing mill in a small town a hundred miles or so up the Rideau river—a one-horse affair which never sold a dollar's worth of goods outside its own town until they got an order, since the war began, for target frames, or something like that. They never had shipped a carload nor a thousand feet of lumber to Ottawa in their lives. Yet, through this Westport Lumber company, as he explained, he succeeded in getting on the patronage list under his own name, McGee, and when they wanted lumber Mr. McGee was applied to. Other men were given a chance to tender, being called up on the phone, but Mr. McGee got the right to furnish the lumber. He had not any lumber himself—he never intended to have any. He went down to a firm of Grits, who could not get on the patronage list, but who were real lumbermen, and had the goods to sell. He got a commission of five per cent—somewhere about twelve cents or fifteen cents a thousand, or thereabouts—and the firm of Grits were able to sell the lumber. This is all in order to pay what I suppose you would call a ward heeler—he must have had some influence—a prominent Conservative in Ottawa, the paltry sum of $200. Yet the minister says there is no patronage list and no politics in the purchasing of war supplies. Why, I could go on all night detailing what we proved last year in the Public Accounts Committee, and what we propose to prove this year. I do not need to say this to members of this House; they know that it is the same throughout Canada. They know that there is nothing you can buy in the way of war supplies anywhere except on a basis of patronage and politics.

Mr. BURNHAM: I can give that a flat denial.

Mr. CARVELL: The hon. gentleman certainly can, if he wishes.

Mr. BURNHAM: So far as the county of Peterborough is concerned it is absolutely untrue.

Mr. CARVELL: The hon. gentleman will have a chance to air his views in a little while. This is a free-and-easy argument; we are in committee, and the night is young, and all may have an opportunity of expressing their views. What I say is that from one end of Canada to the other it is nothing but politics and the patronage list. Why, down in New Brunswick the patronage committee even appoint commissioned officers up to lieutenants. If a man wants an appointment as lieutenant in the province of New Brunswick he goes to the patronage committee.

Sir SAM HUGHES: Did that occur in the case of Major Anderson?

Mr. CARVELL: He is a major.

Sir SAM HUGHES: Can the hon. gentleman give one solitary name in New Brunswick to establish what he says?

Mr. CARVELL: Yes.

Sir SAM HUGHES: I would like to hear it.

Mr. CARVELL: In Victoria and Madawaska—

Sir SAM HUGHES: The commanding officer at Sydney is a Liberal, and so is the commanding officer at Moncton; Colonel Borden at Halifax is a Liberal, and so is the next officer under him. Colonel McAvity of St. John is a Liberal, and so is every man of them in the Maritime Provinces, except Colonel McLeod.

Mr. CARVELL: That is more hot air. Any man who lives in New Brunswick knows that the minister has been misinformed—to put it that way—because those who want appointments must go to the patronage committee. There are Liberals in the province of New Brunswick who have commissions, but they had to go to the patronage committee. Every time the minister has referred to this matter he has spoken of Colonel McAvity and Major Anderson. They are good men—such good men that they could not get around them. But whether it is a commission to be given or an order to be placed for meat or lumber, it is all politics there from beginning to end.

The minister spent a good deal of his time in defending his own department with regard to certain matters, and I am not going into them all. He went a long way out of his way, I thought, to defend Colonel Allison. When he was making that defence there came to my mind the well-known words of Shakespeare: "The lady doth protest too much, methinks." One can hardly understand why it should be necessary for the minister to take half or three-

quarters of an hour of the time of Parliament in defence of Colonel Allison. If Colonel Allison is all right, why not say so and let it go at that? Let me point out to the minister one of the cruel things in this world—at least from his standpoint: he must think it a cruel thing that such an angel in disguise as Colonel John Wesley Allison should be so maligned by ordinary people. Well, my experience of life has been rather the other way. I have very seldom found the real, true, honest man of this world maligned by anybody. And when I find reports with regard to a person coming from every point of the compass, all tallying exactly and all along the same line, I naturally come to the conclusion that there is a little truth in them. Where there is so much smoke there is sure to be fire. But the minister says that Colonel Allison is an honest man—I think he said he was the only honest man he had met since the war began. At least he said he was the most honest of all the men he had met, if there can be degrees of honesty, and I presume there can be. But, besides being the most honest man, Colonel Allison, it seems, is also the most able. Why it is evident that the minister could never have carried on this war successfully—and I want to give him all the credit that is coming to him; he has shown a lot of energy and has done some great hustling; we on this side give him credit for all that—had it not been for the great assistance he has received from Colonel Allison. Judging from what we have heard this afternoon, had it not been for this gentleman, the minister would not have succeeded in getting anywhere; there would have been no Canadian overseas force but for him. The minister tells us that Colonel Allison has saved $50,000,000 since the war began, and would not take a cent. What is the use of the Minister of Finance (Sir Thomas White) racking his brains and getting grey-headed over the question of raising money for this war, when all that is necessary is to bring on this wizard, Colonel Alliston, and let him wave his magic wand, and bring forth $50,000,000 when it is needed. Why, the minister has not treated this colleague of his right. Instead of having Colonel Allison down there in the United States he ought to have him here, running the whole show. I am afraid, maybe, some of his colleagues would object to Colonel Allison running the show, and some of his followers also. Looking at the faces of some of the followers of the Government, when the minister was extolling the virtues of his friend, I thought I noticed on some of them indications of dissent. That may have been an optical delusion, but some feeling was patent in their faces as the minister was telling of the virtues of Colonel Allison. Well, we have invited Colonel Allison to come before the Public Accounts Committee, and we will have an opportunity to judge for ourselves whether the minister's opinion of this gentleman is right or wrong, coloured or not—that is, from our standpoint, and I admit that we are very much below the plane of the minister. The minister endeavoured this afternoon to free Colonel Allison from any suspicion of wrong-doing. Well, the minister had better wait until a charge is made before he attempts to put up a defence. But let me call attention to something that was brought out in the Public Accounts Committee yesterday morning. A man named Nash, a tailor, I think, of Morrisburg, said that in the early days of the war he was requested by Mr. Chambers who, I have learned, is a very active gentleman in the Conservative organization of the constituency that I have mentioned, to give Colonel Morgan some assistance in the tailoring line. He consented, and, with that end in view, went to Colonel Allison's office, where he met Colonel Morgan and two or three merchants from Redfield, New Jersey. These gentlemen, one of whom was a Mr. Eismer, had twenty or twenty-five samples of all kinds of army clothing—caps, greatcoats, tunics, trousers, knickerbockers, handkerchiefs, shirts, shoes, blankets. Upon these samples was stamped the firm name and the price. Evidently the gentlemen who came here from New Jersey were not trying to deceive anybody, for there were the samples, with the name of the firm and the price of the goods stamped upon them. But the Conservatives of Morrisburg employed this tailor to go to Colonel Allison's office and change these labels. He cut the labels off, and put on other labels from which he had removed his own name, simply leaving the label blank—"white linen," he called them. The number and the price, I think, appeared on the label. Mr. Nash does not know exactly what was done, but he heard them talking about the price that was going on one of these labels. The price that was on the manufacturer's label was $3.50—this was a pair of trousers—and he says that they were talking about putting on a price something over $4. When we asked him why they were removing these labels, he

[Mr. Carvell.]

said they told him that they did not want the Germans to know from whom the goods had been bought. A little later in the investigation he said that these were samples, and that he heard them direct the stenographer to address them to Sir Sam Hughes at Ottawa. I asked him if he was afraid that the Germans might capture some of the British soldiers who were wearing these trousers, and subsequently trace their purchase back to United States manufacturers. He said he hardly thought so, because these goods were only samples. Then I asked him if he thought the price would scare the Germans, but he had entirely receded from the German theory. These samples were going to the Minister of Militia; it was supposed that from them the Government of Canada would purchase goods. The manufacturer was perfectly willing to leave the price upon the goods, so that everybody should see it. In Col. Allison's office, by Col. Morgan, his associate and friend, these tags were cut off and other tags put on upon which other prices were placed. We have not got any further than that; I do not know whether they succeeded in getting orders.

Mr. MIDDLEBRO: The hon. gentleman is in error when he says that other prices were placed upon the labels.

Mr. CARVELL: The witness swore that he heard them talking about putting another price upon this particular pair of trousers—more than $4.

Mr. MIDDLEBRO: The hon. gentleman just now said that other prices were placed on these tags.

Mr. CARVELL: Certainly.

Mr. MIDDLEBRO: That is not so.

Mr. CARVELL: I will admit that the Chairman of the Public Accounts Committee, by his ingenuity, did everything he could to keep that evidence from coming out. But he got it, and now the public is getting it. The Chairman of the Public Accounts Committee is now seeking to draw a herring across the trail.

Mr. MIDDLEBRO: The hon. gentleman is stating what is not true.

Mr. CARVELL: That will not help matters one particle. I tell my hon. friend right here that we know our rights in the Public Accounts Committee just as well as he does, and we know our rights in this committee just as well as he does. He will not help the Estimates through by any such conduct as this.

Mr. MIDDLEBRO: My hon. friend said a moment ago—and Hansard will bear me out in this—that different prices were placed upon these tags.

Mr. CARVELL: Yes; and they were.

Mr. MIDDLEBRO: The evidence was that there was a price of $3.50 on one pair of trousers, and that no other prices were put on. As my hon. friend says, the witness heard different prices mentioned.

Mr. CARVELL: Is that not a nice distinction? Is the Chairman of the Public Accounts Committee not covering himself with glory by making a statement of that kind? The Solicitor General will have to resign if my hon. friend takes his place in the hair-splitting business. With all the ingenuity that the Solicitor General possesses, he never could make an argument like that; he never could draw so fine a distinction as that. What do you suppose they cut these tags off for? What was the object of taking these articles into Colonel Allison's office and changing the tags? They say it was done to fool the Germans; do you think anybody in Canada is fool enough to be fooled by a reason like that? Hardly. The minister knows better; everyone of his followers around him knows better; even the Chairman of the Public Accounts Committee knows better. He knows that men do not do things like that without a purpose, and he knows that the purpose of these men was to deceive somebody—and that somebody was the Government of Canada. Whether they succeeded or not, I do not know. We will try to find out.

The hon. minister told also about the wonderful honesty of Col. Allison in purchasing Colt revolvers and pistols. I shall not go into that to-night, for I know that there will be another opportunity of going into it more thoroughly. The hon. gentleman tries to justify the throwing away of thousands of dollars of the people's money because of something that was done in 1899 or 1900. It is the tu quoque argument over again; if somebody else steals, we have the right to steal. That is the answer that has been given to every statement which we have made on this side of the House since 1911.

Sir SAM HUGHES: May I correct my hon. friend? I did not say that if somebody else had the right to steal, we also have the right to steal, but that if some others had

the right to put on a commission, we might have justification for putting on a commission, but we did not do it.

Mr. CARVELL: Then I will modify my assertion by using the word "commission" instead of the word "steal." The hon. gentleman says: "We did not do it." Has my hon. friend forgotten the evidence given by two reputable witnesses before Sir Charles Davidson's commission in Ottawa, one of them a representative of Mr. Birkett and the other a representative of the Ketchum Company? Two hardware firms in this city swore at the very time the minister was buying these revolvers at $18.50 that they were able to buy them at a discount of 10, 5 and 2½ per cent, which brought the price down to $15.05; it was either $15.05 or $14.05. One of these firms bought one pistol, and the other two. And Colonel Allison, who was buying them by the thousand, paid $3.50 more for his pistols than did these two firms. Does the minister tell me that if he had had Birkett buy these pistols he could not have saved the country at least one-half of the commission? I will go further. Is there a man within sound of my voice to-night, is there any man in Canada who has read the evidence, who does not believe that the Colt Revolver company paid a commission in some way or other to somebody? The vice-president of the Colt company swore that he made a present to Col. Allison, and said that it was for general business. Is there any man who believes that business is carried on in that way? Is there any man who believes that there was not a rake-off somewhere? There is something else the minister did not tell us this afternoon, when he was reading the evidence of Stone. He did not say that he was present when this trade was made.

Sir SAM HUGHES: Stone was not present.

Mr. CARVELL: Stone said the minister was present.

Sir SAM HUGHES: The minister made the deal; Allison had nothing to do with it.

Mr. CARVELL: He was present too.

Sir SAM HUGHES: Yes.

Mr. CARVELL: You always find Allison around. You will find Allison around in every transaction of this kind that has taken place in the United States since the day war was declared. Of course, the minister says that he is a saint, and that everything is all right. We have no proof to the contrary, but we have a lot of suspicious circumstances. As I said before, Allison can come here and we will try and get the matter straightened out.

The minister has also been able to revolutionize the price of copper in the world to-day. He says that he has had a smelting establishment erected in Canada and that this at once brought the price down. I have not bought any copper myself in the last three or four weeks, but I am buying copper quite frequently, and I know the price has been going up and up and up. The last I bought I paid 25 cents a pound for it. But I can discuss copper with the minister a little later on. He has copper on the brain just now, and shells, and fuses, and things of that kind. Next Tuesday we shall have the pleasure of discussing shells, and fuses, and copper, and I know the minister will be present to discuss these things with us face to face. I will therefore reserve my remarks on copper and fuses and shells. While I am on the subject, however, I might say that when it comes to letting a $22,000,000 contract for fuses, at an average price of $4.33⅓, we find Colonel Allison on the job again. Wherever you find the Militia Department doing business in the United States, there you find Colonel Allison. And another gentleman is usually found with him, one by the name of Harris. Probably the minister knows something about him. He has an interest in the shell business in Ontario. Like Colonel Allison, he is a great friend of his; he is always around when fuse contracts are being let.

Mr. A. K. MACLEAN: He lives in New York.

Sir SAM HUGHES: Perhaps the hon. member for South Renfrew (Mr. Graham) could tell us something about this gentleman.

Mr. CARVELL: I know this man Harris is always around when contracts are being let.

Sir SAM HUGHES: Is there any harm in that?

Mr. CARVELL: I don't know. He is simply Allison's friend. The minister also told us this afternoon what a wonderful saving had been made on motor trucks. I want to give my hon. friend credit where credit is due. I admit that the department bought motor trucks cheaper after April, 1915, than they did before, but how much cheaper I do not know. The minister gave us certain figures this afternoon, but you

know, Mr. Chairman, the minister's memory is bad when it comes to figures. I do not mean that he would mis-state a figure, but only that his memory is bad. However, the accounts will be brought down, and I presume we shall have a chance of verifying his figures. I should also like to know what has become of this wizard in buying motor trucks, Col. Thomas. The minister referred to him this afternoon. This Col. Thomas appeared before the Public Accounts Committee over a period of three or four weeks last spring. He took all the credit to himself for reducing the price of motor trucks, and gave Allison none at all. Whenever we had a spare half-hour in the committee we used to put Col. Thomas on the stand, and he would tell us how he purchased the motor trucks. Then we would go on with our business, and when work became shy again, we would put Thomas on the stand and hear the story once more. But he seems to have disappeared altogether. He has not been seen around the city since October or November last. He may have gone to the front to look after motor trucks, or he may be in the United States buying more, or spending the winter in Florida with Allison and Morgan. Will the minister tell us where he is?

Sir SAM HUGHES: Col. Allison is the gentleman who first drew my attention to the plan by which the price could be reduced. He gave me the names of two gentlemen who were experts in the business, and if, when I was speaking this afternoon, I omitted anything in this regard it was an act of omission, not of commission. I will tell the whole story. There is nothing being kept back at all. Colonel Allison got me in touch with Mr. Thomas, now Colonel Thomas—promotion comes rapidly when you do good work—and with a young gentleman by the name of Bucroft, who is the editor of some automobile journal in the United States, and one of the brightest young fellows it has been my privilege to meet. These three gentlemen thought out the plan, and I executed it. I am a little proud of that, because we saved Canada on these motor trucks the sum of $1,600,066. Thomas has since been sent over to England to consult with the British Government, and has been inspecting trucks at the front. He is returning to Canada at a very early date. His services have been recognized as very valuable both by this Government and the British Government.

Mr. CARVELL: The minister should tell him to take a little less credit to himself, and leave a little for Allison.

Sir SAM HUGHES: He was the expert.

Mr. CARVELL: Then Allison did not play any part at all in the saving on these motor trucks?

Sir SAM HUGHES: Oh, yes, he did. He was the engineer of the show, Thomas was the expert, and I had the honour of being the driver.

Mr. CARVELL: There always seems to be enough glory to go around. The minister is never shy on glory, he has a plentiful supply of it. They are all the finest chaps in the world as long as the money holds out. The minister has also referred to the Ross rifle, in practically the same terms he used a month ago. I am not here to defend or condemn the Ross rifle. I am free to admit that on many occasions in this Parliament during the last eight or ten years I have defended the policy of manufacturing rifles in Canada. I defend that policy to-day. I believe it is the proper policy, but I am surprised that in the conduct of his department, the minister has not gone further in connection with the manufacturing of war supplies in Canada than he has done. We have a big plant down in Quebec; I think my hon. friend referred to it as a blacksmith's shop. Well, it costs a lot of money to run that blacksmith's shop; the cost runs into hundreds of thousands of dollars a year; I refer to the arsenal. Is it not a most remarkable thing, Mr. Chairman, that we have been buying our war supplies, such as shrapnel shells and high explosives, though I do not believe we had any high explosives in Canada before the war comenced.

Sir SAM HUGHES: In Canada, we have made millions of high explosive shells. The Shell Committee—

Mr. CARVELL: I know more about the Shell Committee than my hon. friend thinks I do.

Mr. GRAHAM: There were not high explosives made before the war.

Sir SAM HUGHES: No.

Mr. CARVELL: We will discuss the Shell Committee next Tuesday, and probably without gloves. But to-day we are discussing the Militia Department, and the policy of manufacturing war supplies in Canada. I defended the Ross rifle propo-

sition some years ago, and I defend it to-day; but I want to say, in passing, that I only hope the Ross rifle is in the happy condition in which the minister claims it is. One would think, according to the description given by the minister this afternoon, that the Ross rifle was such a fine weapon that everybody in the Old Country had his eye on it, and that the soldiers had to sleep on it to keep other solders from stealing it, and substituting a Lee-Enfield, Of course I know that that was a figure of speech intended for the reporters.

Sir SAM HUGHES: I referred to sharp shooting.

Mr. CARVELL: Let us get down to the ordinary business of Parliament for a little while. I have met four different soldiers within the last two months—I could give their names, but I do not wish to do so—two of them were sergeants and the other two privates. They were wounded soldiers who had returned from the front, and I discussed this matter with them. By a rather singular coincidence their statements agreed. They were partly commendatory of the Ross rifle, and partly condemnatory. They all agreed that, for sniping, all the soldiers wanted the Ross rifle because it had the peep sight, and the men who were hidden had plenty of time in which to shoot. But they said that for action or ordinary service the men would throw away their Ross rifles for a Lee-Enfield. I give that statement to the minister and to the House. I came to the conclusion that there must be something wrong with the Ross rifle as an ordinary weapon for trench and field warfare, but if the minister can succeed in eliminating those difficulties, or, if he has succeeded, as he says he has, I am glad.

Sir SAM HUGHES: I did not say there were difficulties. I stated that it had been discovered that the ammunition was at fault. The Canadian soldiers could not be expected to have confidence in their rifles when they were asked to answer those ten questions that were sent to them. The bad ammunition got mixed up with the good, and at the battle of St. Julien some of the rifles were found to be jamming. The soldiers who had not been accustomed to the Ross rifle might take it into their heads that the rifle was at fault, but it was the fault of the ammunition. It is known now that the fault lay with the ammunition; the report of Field Marshal French showed that. The reports show that for many weeks there has been nothing wrong except that some ammunition got mixed up again. My hon. friend will remember that I read a letter from the inspector, a very capable officer, in which he stated that by some peculiar mischance a lot of bad ammunition got mixed up with the ammunition served out to the Canadians.

Mr. CARVELL: The minister told us on a former occasion that they had enlarged the chamber of the Ross rifle something like a two-thousandth part of an inch. Would that make any difference even if the soldiers got perfect ammunition? I am just giving the facts as I understand them. I know there has been a lot of dissatisfaction at the front, in England, and in Canada over the Ross rifle, but I sincerely hope that the minister has overcome the difficulties. If the difficulty was not with the rifle, of course the rifle cannot be blamed. I do not want to say anything here that would in any way be quoted as criticising or condemning the equipment of the Canadian army at the front.

Sir SAM HUGHES: I know my hon. friend does not. I am sure he will agree with me that when questions like those to which I have referred were distributed among the soldiers—and they were sent there with an object, whether by an enemy or not, I do not know—the men would not have a feeling of confidence in their arm, particularly on the eve of battle.

Mr. CARVELL: I agree with that, and I think the party responsible should be severely censured. I am very glad to learn that the fault in regard to the Ross rifle is with the ammunition and not with the rifle itself. But why is it, that in the three years during which my hon. friend was minister, prior to the outbreak of war, nothing was done in the way of manufacturing shells in Canada? We had an arsenal at Quebec. The minister made a statement which I could hardly credit, but I read it over in Hansard, and found that I had understood him correctly. He stated that they made only 75 shells a day at the arsenal, and that 75 per cent of these shells were no good. What is wrong with the outfit at Quebec anyway?

Sir SAM HUGHES: In the event of war taking place we felt that we would be in a better position to buy our shells, and we only made enough to meet ordinary requirements. Both our energies and our money went towards making Mark VII ammunition. The manufacture of shells was so

small that it would not count in the case of war.

Mr. CARVELL: That is the minister's explanation, and of course we must accept it, but to me it is a remarkable thing that the arsenal at Quebec, which costs, I am safe in saying, hundreds of thousands of dollars a year, was so utterly useless when the war broke out. The minister will remember that, prior to 1914, we on this side of the House called his attention on many occasions to the fact that his militia was not anything like what he said it was. We were compelled to point out that his principal business was building armouries and places of that kind; that he was not really building up the militia. While I do not want to cast any reflection on the Canadian militia, it would be very interesting now to get a return showing the number of men in the first contingent who had attended the annual drills five or six weeks prior to the time they were mobilized. However, that is a matter which we may bring up at another time.

There is one thing that must be impressed upon the minister, that must be engraven upon his heart, and that is that if he is Minister of Militia after this war is over there will be a very different militia system in existence in Canada than that which prevailed prior to the war. We used to listen to the bombastic speeches of the minister, in which he used to tell us about the 75,000 trained and equipped men whom he had ready to jump into the fray at a moment's notice. I think he has had cause to revise that opinion; but, fortunately, the yeomanry, the young men, the middle aged men, and the old men of Canada, who did not belong to the militia, who were not under the special guidance of the minister, and did not know anything about his top-heavy militia department and system, jumped into the breach, and well it was that they did, because otherwise the minister would not have been able to read us the figures to-day, that will excite the pride of every Canadian, showing that there have been recruited 275,000 men in a year and a half. I do not know that the minister should take all the glory to himself. He had better distribute that glory around a bit.

Sir SAM HUGHES: Did I not try to do it to-day?

Mr. CARVELL: Yes, I admit that he did; he was very impartial in his distribution of the glory. If he had been as impartial in his distribution of business favours as he was in throwing bouquets around the House we would not be criticising him.

Sir SAM HUGHES: I do not know how I can please my hon. friend. I was tackled by my hon. friend from Portage la Prairie (Mr. Meighen), who said: "This thing works one way altogether; no Tory in Portage la Prairie can get a contract; the Grits get them all." A friend from Brandon wrote to my right hon. friend the Prime Minister and myself complaining that we had given the Grits of Brandon everything, and that nothing was given to the Tories at all. I get knocked on this side, I get knocked on that side, and all I can do is to settle down and keep going ahead on an even keel.

Mr. BRADBURY: It is the same in Selkirk.

Mr. WEBSTER: It is the same in Brockville.

Mr. CARVELL: That is internicine warfare, and I am not interested in it. The minister will have to settle that matter with his followers. But, to be serious, I would say that he has not got any more knocks than he deserves.

Sir SAM HUGHES: From both sides.

Mr. CARVELL: Yes, from both sides. I was very glad to hear the minister say this afternoon that he had got out of the patronage system as far as medical doctors were concerned.

Sir SAM HUGHES: I used the wrong term this afternoon, my deputy minister informs me, in speaking of the patronage list. The local officers have a purchasing list for small things in country towns, but I do not know anything about it. There is a purchasing list, for instance, in Portage la Prairie, Brandon, Pictou and other places. This purchasing list is sent to the local divisional officers, I believe.

Mr. CARVELL: This list must be all Tory then down in New Brunswick, because no Liberal has heard anything about it.

Sir SAM HUGHES: Anybody who has the line of goods desired can get on the list.

Mr. CARVELL: He can get on the list, but he will never be applied to, and therefore will not be enabled to sell anything. Being placed on the list is one thing, but being applied to and asked to sell goods is another thing. Will the minister say

that every man on the list will have a chance to supply the goods that he has to sell?

Sir SAM HUGHES: I do not know the first thing about the list. Such things are left to the local men. In Kingston, Brandon, Portage la Prairie, Brockville, and a hundred other places they have been tearing me limb from limb because I would not give them this business. Now, my hon. friend is tearing me limb from limb the other way.

Mr. CARVELL: That is a family fight. The minister says that he has no time to bother with these small things. All right; I agree that he is a busy man, but it would not take very much of the valuable time of the minister if he ordered his deputy to send out instructions that any man who has goods to sell should be put on the list and will have the right to tender.

Sir SAM HUGHES: That is the order now.

Mr. CARVELL: And that the lowest tender be accepted.

Sir SAM HUGHES: That is the rule which has invariably been followed.

Mr. CARVELL: Will the minister tell us that all over Canada that policy will be followed and that he will give instructions to that effect?

Sir SAM HUGHES: No, I cannot give instructions because I gave them long ago. Those are my instructions to the officers in various places. Not only that, but instead of placing the list on the back door of a store, I have instructed them that the call for tenders shall be made public and that a list of the things required shall be sent to people able to supply them whether they are Liberals or Conservatives. That order has been in existence for years.

Mr. CARVELL: How long?

Sir SAM HUGHES: That was issued before the war.

Mr. CARVELL: Then, I can only say that the minister has been awfully deceived, that somebody has gone back on him or has double-crossed him, because, certainly down in my county no Liberals ever get a chance to tender on anything. There is no use in the minister talking about what he has done in this town or in that if they have not carried out his instructions. Every gentleman sitting around me to-night can bear testimony to that. My hon. friend from Northumberlanad (Mr. Loggie) was telling us this evening that in Chatham no Liberal could by any chance sell a loaf of bread.

9 p.m.

Mr. BURNHAM: Perhaps they do not deal in bread.

Mr. CARVELL: I hope my hon. friend from Peterborough (Mr. Burnham) will pardon me if I do not reply to that sage remark at the present time. I want to have this thing thoroughly understood before leaving it; let us have no misunderstanding.

Sir SAM HUGHES: The deputy minister informs me that I was absolutely right in the statement I made and that at every place where troops are stationed the Army Service Corps invariably call for public tenders for these things.

Mr. CARVELL: I can tell the minister that that statement is not true. In Woodstock, New Brunswick, there have been 500 troops stationed since some time in December and there were no public tenders for supplies of any kind.

Sir SAM HUGHES: Are they fed by the Army Service Corps?

Mr. CARVELL: Certainly they are. Two good Tory firms were invited to tender for the groceries, they put their heads together and they decided that they would tender just exactly alike, and they put the tenders high enough. One of them double-crossed the other, he cut a little off the price and got the business. Nobody else got a chance to tender. The minister may have given instructions that Liberals might be given a chance to tender for groceries, meats and things of that sort, but there is somebody between him and the carrying out of his instructions and I do not think it is the deputy minister either. The whole thing gets down to local Tory patronage. When the minister interrupted me I was going to congratulate him. I was going to tell him that the arrangement he has made whereby the commissioned officer of a corps can appoint a medical officer at any time he chooses to examine recruits is a move in the right direction. There may be some things that his Conservative friends may complain of in certain places; that is liable to happen. I imagine, from what he tells us that he does not take very much stock in some of these complaints. I think it is a move in the right direction because men

have been moved long distances to be examined, in many cases they have failed to pass the examination and it has been a cause of a great deal of inconvenience, and I believe, to some extent, has retarded recruiting.

Sir SAM HUGHES: And it has obviated the objection of keeping men waiting for weeks.

Mr. CARVELL: I commend my hon. friend. I am glad to commend him when I can. Unfortunately, there are so few occasions when you can commend him and so many when you must criticise him. If the minister will carry out the promises he has made here to-day and see that his ideals are carried out in practice throughout the country, he will revolutionize Canada and will put the militia system on a different basis from what it has been on during the last four or five years; he will stimulate recruiting, and that ought to be the object of every patriotic citizen, regardless of his politics. If the minister will do this, I shall be only too happy to come back here next session, if I am alive then, and commend him for doing so; but he has a big job on his hands; he is surrounded by a number of friends, I see them all around him; I know them all intimately.

Mr. BRADBURY: Lots of friends.

Mr. CARVELL: Yes, lots of friends, who will raise the biggest row that was ever raised in Canada if the minister endeavours to carry out these reforms. While the minister has plenty of go and push in him, plenty of independence, it will take even more independence than he possesses to carry out the reforms he has promised. Conditions, however, are better than they were a year or so ago—the Lord knows they could not be any worse, and if there is a change at all, it will have to be for the better.

Mr. McKENZIE: The department is not paying such high prices for some things.

Mr. CARVELL: No, they are buying things much cheaper in some cases. Of course, there are many notable instances to the contrary. The are buying shells much cheaper.

Mr. McKENZIE: Of course, they have nothing to do with that.

Mr. CARVELL: The minister had all to do with that until the first day of December, 1915, and I must say there was a gradual reduction even before the minister handed over the purchasing of shells to other people, so that we can give him credit for some improvement; but so far as buying goods out in the country is concerned, there has been no improvement at all. But if he carries out the great improvements he has promised and allows Liberals to be placed on the lists and allows Liberals in towns where troops are quartered to tender on the supply of provisions and so forth, he will make a great improvement and the country will not be called upon to pay as much as they have had to do in the past for carrying on the work of the department in connection with the war.

I was telling the Minister of Militia a little while ago that, as Colonel Allison is such a financial wizard that he has saved Canada and the Allies $50,000,000 on war purchases, the Minister of Finance should not fret and worry himself until he is getting grey-haired in his endeavour to raise money; he should send for Col. Allison and he will raise $50,000,000 by merely waving his hand.

Sir THOMAS WHITE: I am very much obliged for the suggestion.

Mr. CARVELL: I will not say any more for the present, but there are a number of special items on which, of course, I will reserve the right to offer some mild criticism if I think it necessary.

Mr. W. H. BENNETT: In November last, some 275 men of the 76th Battalion were sent from Niagara to the town of Orillia to be kept there in the splendid armoury which has been erected in that town. Col. Caldwell, who is in charge of the regiment, asked the mayor of Orillia for the names of all the butchers, bakers and provision dealers so that he could get tenders from them, and the supplies were secured in that way without regard to politics whatever. I cannot speak of any other town than Orillia, but the hon. member for South Simcoe (Mr. Boys) tells me that 500 men were placed in the barracks in the town of Barrie and the provisioning was done in the same way, so that if the remarks of the hon. member as to provisioning of troops are as incorrect in New Brunswick as in the county of Simcoe, he would simply be laughed at if he went into that county.

Mr. CARVELL: He would not be laughed at in the province of New Brunswick.

Mr. WEBSTER: We had 800 men of the 58th Battalion stationed at Brockville, and, when they came there, orders were sent by

the Minister of Militia that all supplies were to be publicly advertised for, and a Liberal in that town is now supplying all the groceries, vegetables, butter, eggs, etc. There are in Brockville four other war contracts, two of which are held by Liberals and two by Conservatives. If the Minister of Militia has divided up his patronage in that way throughout the country, the Conservatives are not making much out of it.

Mr. BURNHAM: I would like also to say—

Mr. CARVELL: Next.

Mr. BURNHAM: I would like to prove the utter fallacy—I will not use the word "falsity"—of the remarks of the hon. member for Carleton, N.B. A leading Liberal in Peterborough is providing 700 troops stationed there with provisions; and in order that there might be no criticism whatever of carelessness on my part in carrying out the instructions of the Militia Department, I inserted in the newspapers, including the Grit organ, a letter addressed to the Liberals, telling them that they could send their names to Major Hamilton of Kingston, who would put their names on the list and that they would be allowed to tender for whatever was required. It is a most shameful procedure to cast these reflections upon the Minister of Militia, especially at this juncture, and to say that such conditions are general throughout the country when, as a matter of fact, they are not by any means general, even if they are particular, and they might happen through carelessness or inadvertence.

Sir SAM HUGHES: I am sure the House will pardon me if I read this little dispatch from the front:

French midnight reports violent fighting resumed on Verdun front, especially Douaumont and Pepper Hill, where German infantry have been repulsed and decimated. British report recapture of 800 yards of trenches lost on February 14 at Ypres and Comines canal, and also taking of a German salient.

Mr. COPP: A few days ago I listened with a great deal of interest to the hon. minister when he delivered a speech in this House telling us that he had not recognized politics nor politicians in any way in the conduct of his department, and I took it that the reports which I had received from other sources were untrue. I left for home a few days afterwards and while I was there a few hundred troops were to be quartered in my town and it was necessary to make some improvements to a building to be used as a barracks. My hon. friend says that all the Liberals throughout the country are being given fair and proper consideration in the provisioning of troops, and in all the work in connection with the carrying on of the war. In the town of Sackville in which I live, a man could not get a job to drive a nail or saw a board in connection with the improvements to the barracks unless he went to the patronage committee in the town, and not only had he to go to the chairman of that committee, but after he went to the chairman and got his recommendation, he then had to go to another party higher up to get his application for work O. K.'d.

Mr. CARVELL: He was lucky then to get it.

Mr. COPP: When such things as this happen, I cannot understand how hon. gentlemen can expect the people to believe that the minister is conducting the affairs of his department without regard to politics. Last year, not in my own town but very near to it, contracts were let for the supply of hay and fodder for horses as well as provisions for the troops, and Liberals were not given an opportunity to tender. I do not find so much fault with that. If these people would tell us that they are running this affair on patronage lines, it would not be so bad. But I certainly do object to any man standing up and telling me that the patronage system is not followed, when I know better, when I have seen it in my own town, and when I have seen the letters that show that the patronage system is followed in the purchase of even the smallest items for the Militia Department. In this contract for hay, not only were the Liberals not asked to tender, but the man who got the contract got it on condition, I am informed, that he he should not even buy his hay from Liberals. These are things that I know. And does the Minister of Militia expect me to sit quiet and listen while he tells the House and the country that there is no patronage in his department? If he has been so fair to the Liberals in his own county, I congratulate him for it. But he thereby declares for a principle, and that principle should be carried out elsewhere. Though that may be the case in his own county, it is not true of my county, nor of the province of New Brunswick, and from what I hear from other hon. gentlemen on this side, it is not true in other parts of the Dominion, especially the Maritime Provinces. If the minister has had a change of heart, and intends

in future to conduct his department on the lines he says, I am sure the country will be glad of it. As has been reiterated in this House, if there ever was a time when every dollar of the public funds should be rigidly safeguarded and honestly and wisely expended, this is that time. If the Minister of Militia has seen the error of his ways and intends in future to give every person that can do so an opportunity to supply goods, I congratulate him. But he can hardly blame us for taking his statement with a grain of salt when we know how he has erred in the past. I think the time has come when hon. members who know that these things are taking place should tell the people the facts as to their own ridings; and I believe that what is true of my constituency is true of most other constituencies in Canada.

Mr. BRADBURY: It is refreshing to hear hon. gentlemen opposite criticising the Government for its purchases in connection with this war. This is not the only war in which Canada has indulged; we had the Boer war when the Liberal party was in power, and perhaps hon. gentleman opposite could tell the House how many Conservatives participated in the supplying of the troops then.

Mr. CARVELL: I could tell the hon. gentleman some in New Brunswick.

Mr. BRADBURY: Very few, I am sure. It is well known that for years, during the reign of the Liberal party, they built up such a system of patronage in connection with the Militia Department that, when this war took place, not a man could make even a pair of trousers for the troops unless he was a Liberal. Practically all the supplies for the first contingent in the present war were furnished by Liberals. My hon. friend (Mr. Copp) talks about his own county and about New Brunswick. Well, I come from the West—the West which has furnished two men for every one furnished elsewhere in Canada—and I want to tell the hon. gentleman a few facts. In the city of Winnipeg we have ten battalions; in the West we have about fifteen battalions. I think I know what is going on in the West, and I believe that there is not an hon. member of this House who comes from the West who will make with regard to his constituency a similar statement to that made by the hon. gentleman. The 108th battalion is stationed at my own town of Selkirk. The barracks was obtained from a Liberal, a member of the local legislature. Every dollar of the money spent in fitting up the barracks went to improve his property. There were other places that we could have got, but there was no intention of making a party question out of it. I often wonder, as I hear such criticisms as that to which we have listened to-day, whether the party, as a party, has been justified in being as fair as it has been to the Liberals, for they get no credit for it. In connection with supplies for the 108th battalion, tenders were invited, and the contract went to one of the strongest Liberals in Selkirk, a man who, to my knowledge, never cast a Conservative vote. Tenders were received from two or three Liberals and from two Conservatives. No attempt was made to limit the opportunity to tender to the Conservatives of that district. Take the commanding officers in Manitoba to-day. I believe there are as many Liberals as Conservatives, if not more. And these men have a good deal to do with guiding affairs, so far as patronage is concerned. I do not believe that in the choice of officers in the West, politics has cut any figure. In my own battalion, I have never asked a man where he stood politically. Some of my majors, captains and lieutenants are Liberals. I never asked what their politics were; I was looking for efficiency. and I am sure that is what every commanding officer in the West has been doing. I believe that the same thing applies all over Canada. I hold no brief for the minister or for his department; if they have made mistakes they are able to defend themselves. It would be strange if they had succeeded in spending the large amount of money that has been spent without making some mistakes, but I say that the criticism which has been made with regard to patronage is unfair and unfounded so far as Western Canada is concerned.

Mr. COPP: I thought that some hon. gentleman on the other side of the House would come to the rescue of the Minister of Militia. In doing so the hon. gentleman who has just taken his seat has admitted exactly what we have been charging, because he attempts to defend the minister and the department by saying that the Liberal party did the same thing when they were in power.

Some hon. MEMBERS: Oh, oh.

Mr. COPP: My hon. friends may say "oh," but that is the first argument that the hon. gentleman offered in answer to the statements made on this side of the House. He talked about what the Liberal party did at the time of the Boer war.

Mr. BRADUBRY: This party is not doing the same, though.

Mr. COPP: My hon. friend did not say that before he sat down. He says that we on this side of the House are not conducting ourselves in a proper and patriotic manner, because, forsooth, we have the temerity to offer criticism in regard to the conduct of the Government respecting certain public matters. Is it out of place for hon. gentlemen on this side of the House to make statements as to how affairs are conducted in their own particular constituencies and provinces? The hon. member for Selkirk took exactly the same ground. The arguments that my hon. friend has made prove that the charges we have advanced are absolutely well founded. He says they are not true in respect of his particular constituency, and he cites proof of this, so far as the province of Manitoba and the city of Winnipeg are concerned. My hon. friend seeks to place himself upon a higher pedestal than that occupied by his colleagues on the opposite side of the House. He says that in the province of Manitoba and in his constituency where he has the patronage, the criticism made by hon. gentlemen on this side has no application. I do not controvert the hon. gentleman's assertion, but I do say that if these charges are not true in the province of Manitoba or in his constituency, they are true in other constituencies. It has been proved that they are true, and I can show in black and white that they are true. My hon. friend says that these things have not been done in his constituency, and, in the next breath, he adds that it is wonderful that the hon. minister did not make more mistakes than he has made. The minister has made many mistakes, Mr. Chairman. I am not here to question my hon. friend's veracity, and, if he has been fair to his constituents in the statement which he has made, I commend and congratulate him for being able to rise above the methods of a party that have traded down to the very last ditch in the matter of patronage and graft in connection with the public affairs of this country. I can say to him, however, that in the great majority of constituencies in Canada they have not been able to rise to that high level that my hon. friend claims to have attained in respect of the patronage in his own county.

Mr. KYTE: I am sure it is a great shock to the hon. member for Peel to hear it asserted over and over again that there is at the present time a patronage list in the Department of Militia and Defence. I remember during the years that the member for Peel sat in Opposition how very strong he was on the subject of patronage lists. The very thought of there being a patronage list in existence for any purpose whatever, in respect even of the most trifling services or the most trifling purchases, was enough to cause him to manifest as much of an ecstacy of passion as his placid temperament is capable of. Even with respect to the advertisements published from time to time in the newspapers of the country, he used to ask the minister day after day whether or not this patronage was accorded by tender. It was disclosed in the Public Accounts Committee last year, and yesterday as well, that there is a patronage list in the Militia Department. If hon. gentlemen will turn to the evidence given in the Public Accounts Committee a year ago, they will find there the statement, made by the present purchasing agent of the Department of Militia and Defence, that there is at the present time a patronage list in that department, containing about 8,000 names. This gentleman also stated that there was a small patronage list previous to 1896, and that it had grown from very small proportions in 1911 to 8,000 at the present time. The same courteous and efficient officer was examined in the Public Accounts Committee yesterday, and he gave similar testimony.

The hon. member for Selkirk endeavoured to score a point against the late Government in respect of expenditures made during the Boer war. No comparison whatever can be made with the circumstances under which the late Government carried on its very moderate part in the Boer war and the magnitude of the interests which are in the hands of the present Minister of Militia and Defence in respect of the present conflict. The total expenditure in respect of the Boer war for supplies and equipment of troops in Canada was defrayed by the British Government. The taxpayers of Canada were under no obligation to provide the money necessary to defray the expenses of our participation in that war. To-day, however, the taxpayers of Canada are deeply concerned in the expenditures of the Government in connection with the present war. Again, the services rendered by the Canadian Government at the time of the Boer war in respect of the number of men recruited and equipped at

that time were insignificant compared with the campaign for men that has been going on in ths country during the last two years. Further, whereas the number of Canadians who took part in the South African war was only a few thousand, I have it upon the authority of the right hon. Prime Minister himself that he hopes to see 500,000 Canadians in the field in the course of the present year. This will involve an enormous expenditure of money—an expenditure which must be defrayed by the taxpayers of Canada. Every city, town, hamlet, and agricultural community in the whole of Canada is concerned in the manner in which our participation in the war is carried out, and how that participation is to be financed. In every section of Canada, from the Atlantic to the Pacific, appeals are being made at the present time for recruits. Every taxpayer, every father of a family, be he Liberal or Conservative, is asked to permit his boys who are under age to join the colours; sons of these parents, irrespective of politics, are being asked to give their services to King and country. They are all responding magnificently to the call. There is no difference of opinion as to what Canada's duty is. The only distinction that has prevailed is that which has been made by the Minister of Militia and Defence in his department in the matter of patronage. While it is the privilege of the sons of Liberals to take their places in the trenches and to suffer and die for the Empire, it is the privilege only of Conservatives to enjoy the patronage which this enormous expenditure involves.

There is another point to which I wish to direct the attention of the hon. member for Selkirk, with respect to the difference between the Boer war and the present war. We do know that the late Minister of Militia (Sir Frederick Borden) was attacked time and again on the floor of this House in respect of the administration of his department with reference to the part Canada took in the Boer war. But it is a fact that the most eloquent, forceful and strenuous defender of the late Minister of Militia (Sir Frederick Borden) was the present Minister of Militia (Sir Sam Hughes). We do know that time and again when members supporting the then Opposition challenged the conduct of the then Minister of Militia in respect of his management of Canada's share in the Boer war, the first man upon his feet to defend Sir Frederick Borden was the present Minister of Militia. Has any such thing happened during this discussion? From the temper of hon. gentlemen sitting on these benches, I do not think there is much danger of any gentleman rising in his place to defend the minister.

Mr. BRADBURY: If the late minister was here he might.

Mr. KYTE: If he were here he would do the right thing, and I question whether he would consider it the right thing to defend the Minister of Militia to-night. I was going on to speak of the recruiting campaign that is going on throughout this Dominion. I have very much pleasure in being able to say that there is no part of the Dominion that in the last few days has contributed more men to the colours than the province of Nova Scotia. I saw in the Montreal Star last night that in two days 1,200 recruits in Nova Scotia had enlisted and taken their places at the different stations where training is going on. The province of Nova Scotia, I venture to say, in proportion to its population, will contribute as much as any other province in the Dominion, and perhaps more. Nova Scotia is a small province comparatively speaking. Her population is less than 500,000 and in order to get 1,200 recruits in two days, and the 13,000 recruits who have come to the colours in the province of Nova Scotia in the last year and a half it was necessary to appeal to men of all classes and of all political parties, and men of all classes and of all political parties have come readily to the colours. I repeat what I have said before, now that the minister is in his place, that the only attempt that has been made to create any political division in this recruiting campaign has been made by the Department of Militia and Defence, which persists in drawing the party line in respect to patronage. In the county of Cape Breton a large number of young men have enlisted and gone to the front. They have borne their part well. There are families in Cape Breton that have contributed not only one, or two, or three, but in some instances four sons to the various Canadian regiments. A very considerable sum of money has been expended in the city of Sydney in respect of the training of soldiers and the maintenance of interned aliens. But I venture to say that up to the present—unless it was by some accident that can not be accounted for—not a single dollar of the large sum of money that has been spent by this Government in the county of Cape Breton has ever reached the coffers of a Liberal. Why the statement the Minister of Militia made to-

night, if it were intended to apply to patronage as it has been distributed in the county of Cape Breton would be laughed at by every sane man in the county. And not only that, but there has been partisanship in the selection of recruiting officers. Last year I remember a very active recruiting campaign was carried on in the Island of Cape Breton. I attended a recruiting meeting which was addressed by a man in civilian clothes. This man had not received any appointment. As a matter of fact the recommendation that he be appointed a recruiting officer was turned down by the Department of Militia and Defence. That man made a speech that night which was the most effective recruiting speech I have heard since the war began. He had only one son, and this young man was among the first to join the colours from the island of Cape Breton. He had been for many months in the trenches and had borne his part well and bravely, and his father had, therefore, warrant to come before the young men of the province of Nova Scotia and ask them to come forward, and to do what his only son had done and what he was proud his only son was willing to do. After the meeting I asked this gentleman if he had been appointed a recruiting officer. He said: No, I am not a recruiting officer; in view of the service I am giving the department and the island of Cape Breton in addressing recruiting meetings it was suggested that I be appointed a recruiting officer, but the gentleman who spoke in my behalf was told that the only way I could be appointed would be upon a recommendation to that effect from the Tory candidate of the riding. Now, Mr. Speaker, this man and the Tory candidate do not happen to be on very good terms, consequently the man did not receive the appointment. But that did not cool his ardour. Wherever he happened to be in the performance of his duty, if there was a recruiting meeting going on he would be the first man there and he always made the most effective recruiting speech of the meeting. During the last couple of weeks I understand that he has been appointed a recruiting officer. Not, however, by the Minister of Militia. but by the chief recruiting officer for the province. He had heard the success this man had had in getting recruits and he came to him and asked if he would continue his services. The chief recruiting officer said: I have no authority to appoint you but I will take the responsibility myself. The man accepted this quasi appointment, and at the present time he is one of the most active and successful recruiting officers in the province of Nova Scotia.

There is one other matter I desire to refer to and that is with respect to the appointment of medical officers. There is a medical man in the province of Nova Scotia who is well known to every member of this House. He has had many years of experience in his profession. His practice has been most successful. I refer to Dr. J. B. Black, of the county of Hants, formerly an honoured member of Parliament. Now Dr. Black was anxious to do his bit in this war. While he is a man up in years he is still active in the practice of his profession, and he felt that the obligation rested upon him to do what in him lay towards the alleviation of the sufferings of Canadian soldiers wounded in the war. He addressed a letter to General G. Carlton Jones, Surgeon General, who is at present in England, and I have here General Jones' reply:

London, W.C., 10th December, 1915.

Dear Doctor Black,—I am very glad indeed to hear from you, but I am sorry to say that it does not lie within my power to cable for you to come over here, but if you can arrange it with Ottawa, I can easily place you for service in England, and would be glad to have your professional services.

We are at present short of medical officers, and we would be only too pleased if you could come and help us.

Yours very truly,

(Sgd.) G. C. Jones,
Surgeon-General,
Director of Medical Services, Canadian Contingents.

Doctor J. B. Black,
Windsor, Nova Scotia,
Canada.

Upon receipt of this letter, Dr. Black wrote the following letter to Mr. E. M. Macdonald, M.P.:

Windsor, N.S., December 29, 1915.

E. M. Macdonald, M.P.,
Pictou, N.S.

My dear Macdonald,—I have been very anxious for some time to do some part of a citizen's duty in this war and more particularly to do some part in caring for our wounded Canadian soldiers.

At the suggestion of Dr. John Stewart of Halifax (Colonel Stewart of the Dalhousie Unit) I wrote direct to Surgeon General G. Carlton Jones, London, of the Canadian Forces. A copy of his answer I enclose. Now why I am writing you is,—I do not feel that General Sir Sam Hughes would receive graciously an application for a commission in the Army Medical Department from me personally, but I have understood that party politics has not

clouded a friendly admiration of each other by you and General Hughes, so I am writing you to ask if you will do the good office of applying for me.

As near as I can analyse my motives I am not selfish in this matter. I am not worrying about pay for I have sufficient private income to meet my needs; besides I have all the practice here that I want to do. It is not a desire for a trip abroad, for I have done Europe more than once, as well as looking over India, China and Japan besides. My wander-lust is fully satisfied. Further, I have had most of the honours that my medical brethren in Canada can give me. I have been president of our Colchester-Hants Medical Association, president of the Nova Scotia Medical Association, and vice-president of the Canadian Medical Association, and other honours. To close a very busy life I would, above all things, desire to give myself for service to our wounded who have fought for the saving of the Empire; and from Surgeon General Jones' letter, there is work for me in England.

Yours very truly,

(Signed) J. B. Black.

The result of this correspondence, and of this offer on the part of Dr. Black, was that he received no appointment from the minister. I would like to get from the hon. minister a statement as to whether or not Dr. Black's offer reached him, and if it did reach him, why some appointment of the kind asked for has not been given him.

Sir SAM HUGHES: Does Dr. Black claim that he made any application to the Department of Militia and Defence?

Mr. KYTE: He claims to have made an application through the hon. member for Pictou to the hon. minister.

Sir SAM HUGHES: I do not remember anything about it.

Mr. KYTE: I have the minister's letter here; I will not read it to the committee, but will pass it over to him.

Sir SAM HUGHES: I have no objection to that letter being read.

Mr. KYTE: If the hon. minister has no objection, and in order to complete the correspondence, I shall put the letter on Hansard:

Minister's Office,
Ottawa, January 10, 1916.

Private.

Dear Mr. Macdonald:

I have much pleasure in acknowledging receipt of your letter of the 30th ultimo, enclosing correspondence from Dr. Black, relative to his desire to be of service in connection with this terrible war.

In reply I beg to advise you that there is a very simple remedy in connection with Dr. Black's case. If he will apologize for what he has done I will be pleased to do what I can for him.

With kind regards,
Faithfully,
(Sgd.) Sam Hughes.

Mr. SINCLAIR: Shame!

Mr. KYTE: Now we have the secret of the minister's refusal to entertain the offer of Dr. Black to serve in this war. He asks for an apology for some fancied offence that Dr. Black has committed. I think the hon. minister should recognize that it was in his capacity as Minister of Militia and Defence, and in that capacity only, that he was approached by Dr. Black for this appointment. Whatever personal pique may exist on the part of the minister, I should have thought that he was too big a man to allow it to influence his judgment in a matter of this kind.

An Hon. MEMBER: You do not know him.

Mr. KYTE: That remains to be seen. I refuse to believe that the hon. minister is not a big enough man to overcome whatever personal ill will he has towards Dr. Black, and I trust that the minister will be equal to the occasion, and accede to the patriotic request made by Dr. Black that he be given an opportunity to contribute his share of service in this war.

Sir SAM HUGHES: Dr. Black seems to have taken a very peculiar line. He applies first to a gentleman in England, and then to a gentleman in Nova Scotia. It would have been a simple matter for him to have applied to the military authorities in Halifax. He is much over the military age, and I may say that we have refused the services of many a good Tory for that reason. Being an old Parliamentarian, Dr. Black should have known that he had a very simple remedy. When I knew of his application, I took the matter up with the proper officers and it was decided that he should comply with the very simple procedure which he will understand. If he complies with that procedure I will remove any objections which I might urge to his being appointed.

Mr. KYTE: Dr. Black wrote to Surgeon-General Jones to know if there was any position in which he could be useful. The hon. minister could not possibly know that. I think Dr. Black took the proper course in writing to Surgeon-General Jones in England, because unless that officer found that there was some position which Dr.

Black could fill, it would have been useless for Dr. Black to have applied to the minister. In regard to Dr. Black's age, every member who recollects him will remember that he was one of the most active members in this House. I desire to say further to the minister that if Dr. Black is over age, he is no more so than Colonel John Stewart, who was sent overseas in charge of the Dalhousie unit. In all the circumstances, I hope the minister will withdraw any objections he may have had, and that Dr. Black will be privileged to place his services at the disposal of the medical staff.

Sir SAM HUGHES: I understand that Dr. Stewart is a very estimable gentleman, and I believe that Dr. Black is also; but Dr. Stewart was selected by the officers of his unit. The officers were given the opportunity to select their own medical officer, and they selected Dr. Stewart. If they had selected Dr. Black, he would have been appointed.

Mr. McKENZIE: When the statement is made in this committee by the hon. Minister of Militia and Defence that the affairs of his department are managed without any partisanship, or without any partisan bias, I do not think it would be fair for any member who knows the facts and the practice, locally at all events, to be different altogether, to allow the Canadian people to suppose that things are as the minister represents them to be. It is indeed a pity that this country has arrived at a stage when, whether wittingly or not, ministers of the Crown stand up in this House and make statements, possibly believing them to be true, that are absolutely wide of the mark. The people of this country have a right to suppose that when a minister representing the Crown stands up and makes a statement of fact, he knows what he is talking about, and that representing his King and country honestly and truthfully and properly the condition of affairs is as he represents them to be.

I have no fault to find with the ordinary patronage practice. If there is a big contract which the statute requires to go out to tender in the ordinary condition of things, I insist that it should go out to tender. Under the ordinary conditions which prevailed before the war, if there were cases in which the interests of the country could be fairly well protected by the discretion of officers, and they gave the preference to the friends of the Government, I have no fault to find. But that was when they were spending the ordinary revenues along ordinary lines. That was the practice when I was in this House supporting the Government. When I had the patronage in the county which I represent I had no fault to find with it, and I am not hypocritical enough to find fault with the Conservative party for doing what we did ourselves. But I do find fault with the practice that exists to-day when conditions are entirely different. There was no war in our time. To-day we are asking every man in this country to pay money towards carrying on the war; we tax him heavily for the purposes of the war.

They go to him for contributions to the Patriotic and other funds, and the money is expended by the ministers of a Tory Government, or by their officials. There is no party line drawn in the collecting of the money, they collect from Grit and Tory alike, and the Grit boys are just as able and patriotic and courageous in the trenches as the Tories, and when there is any profit, or preference, or emolument, to be bestowed, it should be divided equally amongst those who are entitled to it. If that is not done, the minister should have the courage to say boldly: No, we are conducting this thing along party lines; we have done it in the past and we are going to do it in the future. There would be some manly courage in that, and the people would at all events know that they were doing it on party lines and that they were not trying to conceal it. But, we heard to-night the absolutely unfounded statement that the minister did not know about politics entering into the matter at all, that there was no preference in the management of the department, no patronage list, and that everything was going splendidly and beautiful. It has been pointed out by my hon. friend from Westmorland (Mr. Copp), and my hon. friend from Richmond (Mr. Kyte), that it was only yesterday that we had sworn evidence in the Committee on Public Accounts to the contrary. In that committee one of the officials of the department went on the stand and swore that this patronage list existed, that only the names of Tories were on it, and that everything from the smallest to the biggest had to come to the department through that list. That is sworn testimony, and I believe it to be true, notwithstanding what the minister says to the contrary.

Now, I desire to say a word as to Cape Breton and Victoria. As far as Victoria is concerned, there has been assemblage of troops in that county since the war broke out, and we are not complaining of patron-

age, because there was no patronage there. But there was a large body of men at North Sydney and a battery at Sydney Mines which came from Prince Edward Island. They were there for eight or nine months. Large bodies of troops were recruited at both these points. I venture to tell the minister that never did a fifty cent piece reach the pocket of a Liberal in Sydney or Sydney Mines. The only instance in North Cape Breton in which a Liberal received anything at all was when a man, who was building a barracks at Sydney Mines, wanted some nails; he went into a store kept by a Liberal and bought sixty cents worth. About an hour afterwards he came back and dumped the nails on the counter, saying: I am not allowed to buy these nails from you; I told the man

10 p.m.

who is in charge of the patronage that I had bought the nails from you and he stated that he would not vouch for them; here are your nails, I have brought them back. That is a case in point and everything else has been done in the same way. A Liberal in the county of Cape Breton is not given a blank tender. They scorn the idea of giving him a paper on which to put a figure by way of tender, and yet, in the face of that, the minister comes here and says that everything is done in the highest, the loftiest, and most patriotic way. He stands up like a bronze god and says that he knows nothing about it. That is another trick of the department. When we have $73,000 in cash sent down to the county of Kings, N.S., to buy glue pot horses, the Minister of Militia gathers his angelic wings around him and says: I did not appoint the man, I did not furnish the cash and I know nothing about it. I suppose we have to believe him, at all events, in the Parliamentary sense. The right hon. the Prime Minister (Sir Robert Borden) told us on the 15th of April last that it was a boy who had undertaken to buy these horses without any business experience, and that he should never have undertaken the job. I would call the attention of the business men on the other side of the House to the capacity of the Government which they support, as disclosed by this extraordinary transaction. A boy, without business experience, who, according to the Prime Minister, should never have undertaken the job, is able to go into the Militia Department, get $73,000 in cash, put it in his pocket, and run to the country with it, and yet the minister knows nothing about it. That is the way the business of the country is conducted. I want the people of Canada to know that a boy, according to the Prime Minister, without any business experience, and who never should have undertaken the job, was entrusted with this money. I am only repeating what the Prime Minister said, I am not expressing any opinion of my own, or of Mr. Foster. How he got that money the minister does not know because he tells us he knows nothing about it. If anybody can go into the Militia Department and get money, we ought to know it, so that some of us might be able to get some of the money lying around loose there. The people of the country want to know something about the business methods of a Government under which this kind of thing can happen. The money of the Government was taken in that loose way and horses that could be bought for two drakes and a duck were returned to the department.

There is another matter that I think should be cleared up before these Estimates are put through. We heard the speech of the hon. member for North Simcoe (Mr. Currie) the other day and it disclosed a most extraordinary condition of things. He said that the Canadian boys had been hired out in England to build railways and huts for some English contractor or other at 25 cents a day, and that they never got anything out of it except that trifling amount. I call upon the minister to tell the Canadian people, to tell the mothers and fathers of the young men who were sent to the front, as they thought, to fight for their country, to be trained as soldiers and to be instructed in the art of war, why it was that they were put to work to build huts and to become the ordinary navvies of an English contractor at 25 cents a day. That is a statement made by an officer of the Canadian Expeditionary Force to this House. So far it has not been contradicted or explained. As a matter of fact, in the interest of good government and the proper handling of the affairs of this country, the people want to know what has become of the money. Is this another piece of graft, is it collusion between some authority who has control of these men and the English contractor, by which able-bodied men were made to work for 25 cents a day, the balance of the wages going somewhere else than into the treasury of Canada or that of the British Government? In conclusion let me say that whatever the minister may say about the counties in

Manitoba, Ontario, and other provinces, the patronage in my county could not be closer to the lines of party patronage and politics than it is at present, because I have given the only sample where a Liberal sold anything or anything was bought from a Liberal, and that was 60 cents worth of nails, and they were returned.

Sir SAM HUGHES: The hon. member for Victoria (Mr. McKenzie) has referred to the soldiers working in England. That was at a time when huts were very much needed because the huts put up by the war office proved very ineffective owing to the rainy weather. It was in connection with that work that the soldiers were asked to turn in and build those huts. My information at the time, and since then was that it was purely voluntary work and that they were given this additional pay as a bonus by the British Government, and that there was no objection on the part of the men. I objected to the men being taken away to do this work because of bad weather or anything else, and the work was stopped.

Mr. J. J. HUGHES: The other day Col. Currie stated that the contractor charged $1.10 a day and that he paid the men only 25 cents a day.

Sir SAM HUGHES: No.

Mr. HUGHES: That was the statement that was made.

Sir SAM HUGHES: I am afraid there must be some misunderstanding. I have had some considerable difficulty in understanding the political situation in certain spots here and there throughout the Dominion and let me say in all frankness that parts of Nova Scotia are included in that. Politicians on both sides from these districts seem to be very particular about the patronage lists, and I think it would take a Philadelphia lawyer to keep track of these lists. But our orders are explicit and in the early period of the war I learned from time to time that troops have been quartered in certain places in such a hurry that there was no opportunity of calling for tenders, and in such cases recourse was had to the old patronage lists. Possibly that is how some of these grievances occurred, but I know that practically throughout the whole of the Dominion the proper custom was followed.

Mr. CARVELL: I have just received a telegram stating that a new battery of artillery has been ordered to my native town of Woodstock. That means about 150 men and 70 horses. Will the minister give me his pledge to-night that Liberal storekeepers, merchants, men who can supply forage and other provisions will have an opportunity of tendering for the supplies for these troops on the same basis as the Tories? I want to put the minister to the test.

Sir SAM HUGHES: I am willing to be put to any test. The order has gone and will be carried out.

Mr. CARVELL: And Liberals will have an opportunity of tendering?

Sir SAM HUGHES: Public tenders will be called for in every place where troops are quartered. I want that distinctly understood.

Mr. GRAHAM: In regard to the Canadian troops receiving twenty-five cents a day for their work in building the huts, I understood that that was in addition to the pay which they received from the Canadian Government?

Sir SAM HUGHES: Yes.

Mr. GRAHAM: Col. Currie, however, stated that had the men been working for the British Government there would have been no trouble, but his charge was that he had discovered later on that these men were working for a contractor, and not for the British Government, and that the contractor paid the men only twenty-five cents a day, thus making a large profit on their labour, and Col. Currie thought it was the duty of the Canadian Government to see that these men were fully paid by the British Government.

Sir SAM HUGHES: I requested Gen. Carson to take the matter up immediately and have it adjusted in that way, or else we would hold the British Government responsible, charging them $1.10 a day for our men.

Mr. DOUGLAS: There is being raised on the south side of the river in the constituency of Strathcona the 151st Battalion under Lieutenant Colonel Arnott. The senior major is Major Grant and the junior major is Major Lowrie from Lloydminster. I am informed on the highest authority that these officers have no say whatever as to the selection of their captains and lieutenants, and that every one of these men must first of all receive a recommendation

from Mr. Crawford, the local member for South Edmonton.

Sir SAM HUGHES: He has no more to do with it than a child has. If I find that he has, he will not have it any longer.

Mr. DOUGLAS: He did have something to do with it. The colonel was not allowed to entertain any request for a commission in that regiment without a recommendation as to the character of the applicant by this Mr. Crawford or a Mr. Aldridge, the Conservative candidate for Strathcona.

Sir SAM HUGHES: He is a Methodist clergyman, perhaps the man was getting a clergyman's certificate.

Mr. DOUGLAS: Such a condition as this is not at all fair to the recruiting officers in the constituency of Strathcona because, without showing any undue pride, I may say that we in the northern part of Alberta can point with pride to the large number of soldiers who have been recruited in the Edmonton district in particular. I know for a fact that this practice has been going on, although the minister may not know anything about it, during the raising of the last four or five battalions in the city of Edmonton, I am informed on good authority that no subaltern can get a commission either in the 138th, or in the old battalions of the 51st and the 66th, without first of all getting a recommendation from Mr. Percy Abbott, one of the dispensers of patronage in Edmonton.

These are conditions that should be righted, and that is why I call the attention of the minister to them. These things were current talk on the streets of Edmonton when I left, and I have no reason to believe that conditions have changed since then. I know for a fact that men had to get that certificate. I am not saying that no one except Conservatives could get an appointment, for that would not be in good taste, nor would it show good judgment on the part of any candidate. But the fact remains that every man had to get that certificate. In connection with that, I have a letter and some telegrams from Major Thibaudeau, objecting to the minister not allowing him to raise a French-Canadian battalion in the district of Edmonton. I am not prepared to say whether he is justified in attempting to raise a French-Canadian battalion or not, but I desire to read the telegrams that have passed:

Edmonton, Alberta, February 21.

General Sir Sam Hughes,
Minister of Militia,
Ottawa.

Are you going to accept offer to raise from Alberta and Saskatchewan Battalion French Canadians. Freely discussed here that report from G.O.C. District is that it is impossible and impracticable. Notwithstanding I can do it, if no undue interference is placed in my way. Your department has had two months to consider offer and only fair I should receive answer whether my offer to be accepted or not.

DeBlois Thibaudeau.

On the 22nd of February the hon. gentleman sent the following characteristic reply:

Ottawa, Ont., February 22, 1916.

Major DeBlois Thibaudeau,
Edmonton.

Wire received. Have made inquiries. First, find you are not reported upon favourable for command. Second, there are not enough French Canadians to maintain a company much less a battalion in the area spoken of. Third, the great majority of them prefer mixing with English speaking people and are loyally joining other battalions. Fourth, there are not sufficient in the whole northwest of Canada to maintain corps and all details.

Sam Hughes.

I have a statement here of the number of French-Canadians in the provinces of Alberta and Saskatchewan, taken from the census returns of 1911. These show that in the province of Alberta there are 19,825 French-Canadians. In the province of Saskatchewan there are 23,251; a total of over 40,000 in the provinces.

Sir SAM HUGHES: That includes half-breeds.

Mr. DOUGLAS: It may, but I do not think the proportion of half-breeds would be very great at the present time, and I do not suppose that the hon. minister would object to French-Canadian half-breeds joining the French-Canadian battalion.

Sir SAM HUGHES: They talk of raising two or three French-Canadian half-breed regiments.

Mr. DOUGLAS: Has the hon. minister given authority.

Sir SAM HUGHES: For two.

Mr. DOUGLAS: In the West?

Sir SAM HUGHES: Yes.

Mr. DOUGLAS: In Alberta?

Sir SAM HUGHES: I will give full details as soon as I have heard from the office in the West.

Mr. DOUGLAS: I am merely bringing this Alberta proposition to the minister's attention. I am not sufficiently conversant with the details to know whether the minister is justified in sending this telegram or not, but in my own constituency there are 2,300 French Canadians.

Sir SAM HUGHES: Pardon me, there is nothing of the kind; there may be that number including half-breeds.

Mr. DOUGLAS: I am mistaken to this extent, that the exact number is 2,064.

Sir SAM HUGHES: I have gone over it a good many times.

Mr. DOUGLAS: I wish to put myself right with that class of our people, and the statement made by the minister in this telegram, that there are not enough French Canadians in the West to form a company, much less a regiment, is absolutely beside the truth.

Mr. W. M. MARTIN: As the hon. member for Selkirk (Mr. Bradbury) comes from the West, and it might be supposed that in the matter of patronage he speaks for the whole West, I would like to say a few words in regard to what goes on especially in the constituency I have the honour to represent. The hon. member for Selkirk, I think, must have been asleep for the last year or two, if he has found no patronage in the vicinity of Selkirk. I am afraid he occupies a somewhat similar position with reference to the question of patronage as he occupies with reference to the question of the St. Peter's Indian reserve. It is only within the last six months or so that he has awakened to the fact that the people of Selkirk did not approve of his position.

Mr. BRADBURY: They paid $50,000 for the land you gave away.

Mr. MARTIN: I will leave that for the hon. gentleman's constituents to settle with him, and, judging from the newspapers. the hon. gentleman will have a pretty hard task. However, as to the party patronage, it may be possible that the leopard has changed his spots in the vicinity of Selkirk, although I am afraid that the fact is that the hon. member simply does not know what is going on around him. But as to the city of Regina, from which I come, and also Moosejaw, Saskatoon and Prince Albert, I can say that party patronage never ran rife—especially in Regina—as it has since this war began. I do not blame the minister altogether for this state of affairs. I believe he is sincere when he says he tries to put down patronage in connection with his department. But throughout the length and breadth of Saskatchewan, they have got away from the minister. The hon. gentleman tells us that tenders are publicly called for, or, at least, that his instructions have been that they should be called for. We know that the Army Service Corps purchases the supplies for the soldiers at the points where they are stationed. Public tenders have not been asked for in Regina since the 4th of August, 1914, when the war broke out. Not a solitary advertisement, I think, has appeared in the press of either party calling for tenders for supplies. I am informed that the same is true of the other cities of which I have spoken. The hon. minister speaks of a purchasing list. I understand that he means the general purchasing list, and not a purchasing list for each constituency.

Sir SAM HUGHES: Before we handed over the work to the War Purchasing Department, our orders were exactly as I have stated. I think that in one or two cases, where they had no time to get the army service corps ready, they called for a purchasing list from the mayor of the town—as occurred in the case referred to by the hon. member for East Simcoe (Mr. Bennett). I know what our orders were, and we carried them out as far as we could. If any officers are found deviating from it, they would be given to understand that they must obey orders.

Mr. MARTIN: I do not understand that. Was there a general purchasing list in the department?

Sir SAM HUGHES: No, but each locality has its own purchasing list, I understand. It is not my department, but the War Purchasing Department.

Mr. MARTIN: Is there a purchasing list in the department for the city of Regina?

Sir SAM HUGHES: Not in our department; there is in the office in Winnipeg, I presume. I suppose they wire the Mayor of Regina, or something like that.

Mr. MARTIN: They do not wire from there, I can tell the hon. minister that. However, we get back to this position: there is a purchasing list for each constituency.

Sir SAM HUGHES: Grits and Tories alike.

Mr. MARTIN: I fail to see the difference between a purchasing list and a patronage

list. I could have shown the minister a good deal of correspondence last session in respect to purchases in that portion of the country. Business men in the city of Regina who contribute hundreds of dollars to patriotic funds could not get one dollar's worth of business from the Militia Department, or from the Army Service Corps, which represents the Militia Department in Regina: they were not even asked to tender. As I have already stated, tenders were never called for in the newspapers.

Sir SAM HUGHES: They are never called for in the newspapers; they are called for by means of posters.

Mr. MARTIN: That is something new to me. My information is that no advertisement by poster or in the newspapers was ever published since the war began, in or around the cities of Regina, Moosejaw, Prince Albert or Saskatoon, calling for tenders for war supplies.

Sir SAM HUGHES: I do not undertake to say that the hon. member is in error, but I do undertake to say that posters have been put up.

Mr. MARTIN: I should not like to question the hon. minister's information, but I live in that part of the country, and I am in a position to know. If the minister can show me any advertisements that were published in newspapers or in the form of posters in that country, I shall gladly withdraw the statement that I made.

Sir SAM HUGHES: I only know that orders to that effect were given.

Mr. MARTIN: I do not altogether blame the minister for the system of party patronage that exists in connection with the Militia Department. I sat in this House three or four years before the late Government went out of power; I saw that hon. gentlemen opposite, then sitting on this side, were a fairly hungry looking lot, and, after having been in opposition for sixteen years, they could hardly be blamed for wanting a little party patronage. But when war broke out; when party politics were dropped in the House to a very considerable extent, and when men from the Atlantic to the Pacific were stinting themselves in order that they might be enabled to contribute to the Patriotic fund, the Red Cross fund, and other charitable organizations; at that time party patronage should have ceased, at least to some extent. It has not ceased; on the contrary, it has run riot throughout Canada since the war began, worse than it did in any stage of this country's previous history.

Speaking about patronage, hon .gentlemen will remember the correspondence that took place between the Minister of Militia and a high official in the councils of the Conservative party in the city in which I reside. What was the quarrel between these gentlemen? The quarrel was as to who had the right to make certain appointments in connection with the purchasing of war supplies in Regina.

Sir SAM HUGHES: There was no quarrel between that gentleman and myself as to who should dictate the patronage. The trouble was that I found something not exactly square, and I did not care whether he was Grit or Tory, his head came off.

Mr. MARTIN: I do not question the sincerity of the minister in connection with this matter. So far as I could judge from the correspondence, I should say that the minister was absolutely correct in the stand that he took. But that does not alter the fact that the whole difficulty was caused by the attitude of a certain gentleman in Regina who said that he had the right to make certain appointments. The minister did not quarrel with this man; he considered it entirely beneath his dignity to do so. I do not say this sarcastically, for I think the minister acted quite as a minister should. If it had not been for the protest of this gentleman that the Department of Militia had made an appointment over his head, probably the existence of this graft would never have been disclosed. It is quite true that, through the activities of the minister, the stealing of hay and oats in the city of Regina was discovered. It was established before the Davidson Commission that eight carloads of hay had been stolen, and that the way bills of 15 other cars had been forged. I wish to be perfectly fair to the Davidson Commission. I met Sir Charles Davidson on more than one occasion; he is what I would call one of the first gentlemen of the old school in this Dominion of Canada, and I have nothing to say against him. But I do submit that if that investigation in Regina had been pushed a little further, men high up in the Conservative party in that city would have been involved. Moreover, I know that evidence substantiating the charges against these persons was sent to Mr. John Thompson, who acted as counsel on Sir Charles Davidson's Investigation Commission, and that he never made use of the evidence. I may mention also the fact that in Regina

the Government was short-changed to the extent of thousands of bushels of oats. If the investigation had been pushed a little further, it would have been ascertained who was profiting by the stealing of that oats. The investigation disclosed the fact that this Government was paying sixty cents a bushel for oats in Regina, while the city of Regina itself was buying oats at the rate of forty-eight or fifty cents a bushel to feed its own horses. This is one of the results of the operation of that honest patronage committee that exists in the city of Regina to-day. If the investigations of the Davidson Commission had been pushed a little further the man Mitchell, who is serving a sentence of three years in jail on a conviction of forgery, would not have been the only goat. There was a young men by the name of D. D. Bennett who got away before Mitchell was tried. For this young man Bennett I am personally sorry. I have known him a great many years; he ought to have known better than to get mixed up with this crowd, and to have committed the acts that he did in connection with hay and oats in Regina. Why was he allowed to get away? Mitchell's evidence and the evidence produced at Mitchell's trial involves him to the hilt; if he came back, conviction would certainly result for an offence against the Criminal Code of Canada. It is rumoured around Regina that he is out of the way for the reason that if he were tried he would not be the only goat. I know that the Minister of Militia has not time to bother about where Bennett is, but I am sure that the officials in his department can easily get the information that is necessary to bring that man back. As a matter of fact, I should be only too glad to furnish the Minister of Militia or any person designated by him with the names. I do not wish to bother the minister himself for he is a very busy man. He has had his hands full since the war began. I do not wish to flatter him, but I do think we sometimes fail to recognize the weight that has been on his shoulders since the war began. I should not like to have carried that weight myself. The expenditure of such a vast amount of money and the preparation of such a large number of troops for the front is a great responsibility. But there are men in the Government who are paid for seeing that there is honest administration in this country, men whose duty it is to see that those who steal from the Government are brought to justice. I say that there is one man who is away from justice at the present time, and I am prepared to furnish the Government with his address, if they want to get this man back to Regina and try him for the offence he has committed.

Mr. BRADBURY: There are one or two others from Regina that we should like to get.

Mr. MARTIN: I am prepared to discuss that with my hon. friend at any time. What has taken place at Regina is not to be compared with what has taken place in Winnipeg, for that is in a class by itself. The hon. member from Selkirk has supported the Manitoba Government ever since he had a vote. As regards the Government of Saskatchewan they are absolutely innocent, as far as I am concerned, until they are proven guilty.

Mr. BRADBURY: That is a good proviso.

Mr. MARTIN: I am sure my hon. friend will be interested to know that before the investigation in Saskatchewan gets through some evidence will develop which will be not far from a man who occupies a prominent place in this Government, the Minister of Public Works. But I am not going into local politics. I rose to protest against the system of party patronage that exists not only in the Militia Department, but in every department of this Government. We had an address from the Minister of Trade and Commerce a few days ago, which I think was the gravest indictment of the party patronage system I have ever heard in this House. It strikes me that the present Government are long on promises and short on fulfilment. How the hon. Minister of Trade and Commerce can lecture this House on party patronage, and at the same time refuse to raise a finger to stop the riot of patronage in his own department throughout the length and breadth of this country, I cannot very well make out. To bring my remarks to a close, I hope the minister will take steps to clear up the mess in Regina in connection with war purchases during the last year or two.

Mr. MIDDLEBRO: My hon. friend has made a remark which has already been made by many hon. members on the other side of the House, to the effect that during the present war there has been more partisanship displayed in the awarding of contracts than ever before in the history of Canada. I do not know what has taken place in other ridings, but I hope the House will permit me to tell what has taken place in my own. Whatever party patron-

age there is in the county, is very largely in the hands of the local member. In my own riding seven contracts have been awarded during the war. The first contract was to William Kennedy & Son. They are one of the largest iron and steel manufacturers in Ontario. The head of the firm is Mr. Matthew Kennedy, a brother of Sir John Kennedy, of Montreal. Matthew Kennedy was the Liberal candidate in North Grey, and was defeated by Mr. T. I. Thompson, who took the place of the late Dr. Horsey. William Kennedy & Son received a contract—and I think I might say I assisted them in getting it—to the value of $150,000.

Mr. LEMIEUX: Is he a brother-in-law of the hon. member for St. Antoine?

Mr. MIDDLEBRO: No, an uncle-in-law. The next contract was given to the Owen Sound Iron Works, the president of which is Mr. C. A. Fleming. Mr. Fleming is also the president or part owner of the Owen Sound Sun, the Liberal newspaper in my riding, and his son is manager of that paper. This company received an order for 25,000 shells. The next company to receive a contract was the Meaford Wheelbarrow Company, the president of which is Col. Hugh Cleland. He is the son of the Liberal member who represented my riding in the Local House for eight years. The next contract was given to the Owen Sound Malleable Iron Company, the president of which is Mr. J. M. Kilbourn, who also holds the majority of the stock. He was at one time the Liberal candidate in North Bruce, and was an applicant for a Senatorship from the Liberal Government. The next contract was awarded to Breckenridge & Sons for about $5,000. They are Liberals and have never, I think, given a Conservative vote in their lives. The next contract was awarded to the Owen Sound Tent Company, the president of which is Mr. J. B. Straith, a lifelong Liberal. So far as I know he has never voted for me or for any other Conservative in North Grey in his life. The seventh and last contract was awarded to Randall Brothers. They alone are Conservatives. That is the history of the patronage list in my riding. No other firm has got a contract so far as I can recollect.

Mr. H. BOULAY (Rimouski): (Translation.) Mr. Chairman, it comes as a surprise to hear members of the opposition, especially those from the maritime rovinces criticising the Minister of Militia in regard to the distribution of patronage in his department.

So far as I am concerned, I acknowledge that, in this very House, I did in past years complain that the hon. gentleman was rather lukewarm in meeting the claims of Conservatives. I found fault with him for his giving too much to our political opponents, to the exclusion of members of his own party Thus, in my own riding of Rimouski, there was held every second year, under the Liberal administration, a military camp. Since the Conservatives came to power, not a single one has been held. Those camps bring a considerable amount, yet the Minister of Militia thought proper to transfer that military camp to Levis, represented in this House by a Liberal member.

My opinion is that the times are strenuous enough, and the hon. the minister has enough to accomplish in his department, that both sides of the House should agree to smooth his path when he gets his Estimates before the House.

Who will deny that, in the fulfilment of his duties, he has been able to cope with the extraordinary conditions that have arisen; and I say, without fear of contradiction, that the opposition could not find among its adherents in the House a single man to replace him. Of all the men in the Cabinet who have the qualifications and the will rightly to administer their department, the Minister of Militia stands at the top.

Mr. HUGHES: I understand that a number of officers who went over with the first and second contingents have never gone to the front, but are still in England, chiefly in London. Some reasons have been given for this, which may or may not be correct. Would the minister tell us why these men have not gone to the front, and how many of them are still in England unattached to any corps?

Sir SAM HUGHES: Seventeen infantry regiments went over with the first division, whereas there should be only twelve regiments to a division. Consequently, five of these regiments had to stay in England, and the officers had to stay with them. Some of them are in England yet, and that has given rise to some dissatisfaction amongst the men and officers not only in England but in Canada. We have taken the line that as far as possible men who have had actual experience at the front should be considered first by promotion. There are four or five colonels in England.

not in London as my hon. friend says, but at Bramshott and Shornecliffe, in command of their units. We have also sent over senior and junior majors with all the regiments. These juniors are trained in England in the kind of work they would get at the front, and go forward as reinforcements are needed. We have some officers in England who returned from the front wounded, but as soon as they are convalescent they begin training again, and go back to the front attached to other corps. The rule used to be that if an officer was invalided for four weeks, his place was not kept for him in his original regiment. We took the matter up, and his place is now kept for him for three months. There is no such condition of affairs as described by my hon. friend. The five officers who were left behind stayed with the regiment in England.

Mr. HUGHES: I could hardly follow the minister; he gave us so much information that he seemed to get away from the point. Does he say that there are no Canadian officers in England unemployed or unattached? I have seen letters from officers in England stating that they had no work to do, that the regiments to which they belonged had been drafted to fill gaps, I think, in other regiments, and that though they had offered to go to the front in a private capacity, they were not allowed to do so, and they had nothing at all to do. I think that statement is correct, and I would like to know how many men are in that position.

Sir SAM HUGHES: There is no officer in the Canadian service in England who is not on some duty or another. A number lost their places in their old regiments, and a number who went over with the first contingent have returned to England, but every officer is on duty. I know that every officer wants to get to the front, but he has to take his turn. I may say that it is more difficult for a senior officer to get to the front than for a junior officer. They were sending over lieutenants, and leaving the captains and majors out, and these were put on instructional duty in England. A number of lieutenants who entered the service as sergeants and privates are waiting their turn to be attached. A great many officers have come back to Canada, and we have put them in training here.

Mr. HUGHES: I understand that there are some men in Canada serving in the capacity of officers, who, on account of age, or for some other reason, cannot go to the front, who do not intend to go to the front or who are not expected to go to the front. Perhaps they are doing some work in the form of recruiting, or something of that kind. The point I wish to bring out is, if there are in England men unemployed, or men not likely to go to the front, would it not be a proper thing to have these men employed in Canada. They have had some experience and training, and would be more capable probably than the men who are employed here. That would prevent the doubling of the number of men on the pay list. It is very important that the expenses should be kept down to the minimum, because they will be high enough. Any overlapping of officers would be very expensive.

Sir SAM HUGHES: We have taken the matter up and looked into it very carefully. Last year when I was in England I found a considerable number of men hanging around. They were not attached to their old regiments, and they felt that they were supernumeraries. They wanted to go to the front. We took the matter up then, and we brought home a great many of these officers and put them in other regiments in Canada for training. Our reports at the present time are that there are no men in England who are not on duty. However the matter is being looked into.

Mr. HUGHES: There is another matter which I would like to bring to the minister's attention. Since the reply to the address from the throne was disposed of, I have been trying to get information in regard to the purchase of horses in Canada, but I have not been able to get any satisfactory reply. Perhaps the minister might be able to give us some information on that point.

Sir SAM HUGHES: The purchase of horses for the first contingent was, like everything else, done in a hurry, but all in all it was well done.

Mr. CARVELL: Tell us again about these Kings county horses.

Sir SAM HUGHES: To purchase the horses for the first contingent we sent out buyers as rapidly as possible. Like the case in Peel county, however, there were gentlemen behind the scenes. I understand that a certain gentleman there got so much money that he gave it to the Patriotic Fund. I also understand that the gentleman who was instrumental

in showing him the devious ways of horse-dealing had been for years purchaser for the Liberal Government, and was for three or four years purchaser for the Conservative Government until we found out by accident that the farmers were getting low prices and the Government were paying high prices. Then we got on his track. However, he had got behind the scenes with this other gentleman. I do not know whether the prices charged were abnormal or not, but, from the fact that he felt disposed to give money to the Patriotic Fund, I assume that he felt that he had not given enough to the farmers. It was a serious and fatal mistake to give money to the Patriotic Fund when he should have gone through Peel county on the eve of the election and given it back in five dollar bills to the farmers. It showed he was not a very astute politician. My hon. friend (Mr. Carvell) wants to know about the purchase of horses in Kings county. With the exception of 24 or 25, they were the best horses purchased, and they were $25 cheaper on an average than the Sydney horses, and $55 cheaper than the horses from the western counties. When we came to consider the purchase of horses for the later contingents, we came to the conclusion that it would be better to deal directly with the farmers, but we found again and again instances, similar to those I have referred to, in which the farmers did not get full value, and the middleman was getting a rake-off. We felt we were up against men to whom the fellows receiving patronage in Cape Breton or Woodstock could not hold a candle. The buyers did their best however, and we got a splendid lot of horses at very fair prices. Cavalry not being of much service in this war, we thought it would be foolish to maintain a depot for horses in Canada, where we would have to keep up an establishment of veterinary surgeons and other officers, while the British Government were maintaining their depots and had everything ready. The result was, as point pointed out by the Prime Minister, that we adopted the pooling system, under which we put our horses in and draw out what we need, these being placed to our credit as against the number that we turned in.

Mr. OLIVER: From the statement made by the minister it would seem that the system works out in this way, that instead of the Canadian Government buying the horses that are required for Canadian service from Canadian farmers, they are buying horses that have been bought by the British Government in the United States.

Sir SAM HUGHES: The British buyers are buying, and have bought, in Canada, many more horses than we will ever need.

Mr. SINCLAIR: Will the minister explain why they are not bought by the Candian authorities? The minister stated the other day that horses required by the Canadian forces were being purchased by British buyers in Canada. It seemed to me to be a curious thing that horses required by the Canadian forces should not be purchased by the Militia Department of Canada. I have not been able to think of any reason why they should not, and I would like the minister to give an explanation of that if he can. I am not talking about the use or care of the horses on the other side. Is there not some one in the Conservative party who is a good judge of horses and who could purchase these horses in Canada? In the constituency I represent there are a number of horses for sale. The farmers in eastern Nova Scotia have not had any opportunity of selling their horses to the department during the year 1915. Shortly after the outbreak of the war certain purchasers were sent down to Nova Scotia, and they gave the farmers to understand that there would be a good market for their horses as long as the war lasted. They were told to keep their horses and older colts, to break them, and get them ready, because they would be needed in 1915. However, no horses were purchased in Nova Scotia in 1915, and no opportunity has been given to the farmers to sell their horses. If horses were being purchased by the Canadian Government for the use of the Canadian forces the farmer might have a better chance of selling his horses.

Sir SAM HUGHES: We have purchased and have on hand in Canada and England all the horses we will require for two or three years unless we raise some new batteries. With regard to the buying of horses, we found that we were buying, the English Government were buying, and the French Government were buying, and it created confusion.

Mr. OLIVER: The farmer got good prices?

Sir SAM HUGHES: No, the farmer did not get good prices, but the dealers did. Our buyers were dealing direct with the farmers. The others were dealing with the stables. I do not want to take the time to

go into all the details and tell about all the tricks, but we found that the farmer was not being benefited, and that the Canadian Government was not getting the horses. We were being outflanked by the stablemen and the farmers were not getting the high prices they should have obtained. That is why we decided that there should be only one purchasing commission and in coming to that decision we met the desire of both the Canadian and British Governments.

Mr. HUGHES: The minister has made an extraordinary statement. He says that the British, French and Canadian Governments were buying horses, that there was a great deal of confusion and
11 p.m. that the competition reduced the price to the farmers. It appears to me that the Government could have made arrangements with the British and French Governments to avoid this confusion. An embargo was put upon horses so that the farmers could not export them. Then the representatives of the British and French Governments were warned away from Canada and were not allowed to buy horses here. The Canadian Government stopped buying horses and as a result the horses are left on the farmers' hands. The farmer and the stock breeder are the men who will suffer. The minister tells us that not many horses were required in this war. According to the information published in the daily press, coming from New York, the British Government bought over 500,000 horses in the United States and paid for them $125,000,000. Could the minister tell me how many horses are obtainable that would be suitable for military purposes? Probably 100,000 or 200,000 are still left on the farmers' hands. There is no sale for them. The minister told us a moment ago that there was so much confusion that the purchase of horses was stopped. That shows our unbusinesslike methods and incapacity on somebody's part.

Sir SAM HUGHES: The Canadian Government bought 24,000 horses for the Canadian service. These were sent over. There were a good many more than we wanted and we have a number of horses on our hands yet. In these stringent times we felt that it was quite out of place to buy a lot of horses and keep and feed them in England when we might never want them. Therefore, we decided to buy horses only when we needed them. We were ahead of our requirements and an arrangement was made that the British Government should buy the horses in Canada in the future.

[Sir Sam Hughes.]

Mr. PROULX: What is to be done with the horses that the department has on hand?

Sir SAM HUGHES: We are using them from time to time for batteries and that sort of thing. We furnish two or three to each regiment.

Mr. PROULX: It was stated in the papers last spring that a large number of Canadian horses were slaughtered in England; in fact such a large number that a member of the House of Commons there made the complaint that the presence of these slaughtered horses had created a pestilence in his constituency. Can the minister say why these Canadian horses were slaughtered?

Sir SAM HUGHES: I never heard of anything of the kind.

Mr. PROULX: The minister admitted last session that quite a number of Canadian horses had been killed in England.

Sir SAM HUGHES: Never heard of it in my life. I said that at Valcartier we had four or five killed.

Mr. PROULX: Not more than that?

Sir SAM HUGHES: I do not know of it.

Mr. PROULX: The complaint was made by an Englishman.

Sir SAM HUGHES: I never heard of it in my life.

Mr. PROULX: Were any horses bought in Quebec?

Sir SAM HUGHES: Yes, fine horses, too. Were there not any bought in the county of Prescott?

Mr. PROULX: The buyers never came to the county of Prescott. I suppose there were too many Grits in that county. How many horses were bought in Quebec?

Sir SAM HUGHES: I do not know how many by provinces. We bought 24,672 all told.

Mr. PROULX: What proportion in Quebec?

Sir SAM HUGHES: Quebec got more than its proportion.

Mr. PROULX: That is not what I hear. I hear that they never saw any buyers there and that they were not getting their share of the patronage. I do not know why it was except perhaps that the horses were not able to talk French.

Mr. HUGHES: The minister says that the department have all the horses they want and that they do not propose to buy any more. Under these circumstances why put an embargo on horses and prevent the farmers from selling them to the United States, or wherever they could sell them, and why send the French and British buyers out of the country and thus prevent them from buying horses here?

Sir SAM HUGHES: They were not.

Mr. HUGHES: I think they were.

Sir SAM HUGHES: The British and French buyers are still in the country and they can buy where they like.

Mr. HUGHES: If the minister does not know that the British Government are buying horses in large numbers in the United States, he is a very innocent man.

Sir SAM HUGHES: I can assure the hon. member that the British Government are not buying horses in the United States or shipping them across at the present time.

Mr. J. J. HUGHES: But they bought half a million horses in the United States after they stopped buying horses here.

Sir SAM HUGHES: The hon. member has no evidence to that effect.

Mr. HUGHES: What evidence does the minister want? Until a few days ago Major General Benson was buying horses in the United States for the British Government. Further than that, if the Canadian Government had all the horses they wanted for their own use, and if the British Government needed horses, why could not this Government buy horses here for the British Government? Last year the farmers were asked to increase their production, and horses are used in the army, because artillery has not been done away with. As we have horses to sell in Canada, why does not the Government assist the farmers in selling them? There is no local demand for horses, and if they are not sold to the Government they will be left on the hands of the farmers. There appears to be in this respect a dereliction of duty for which there is no reasonable excuse.

Mr. PARDEE: What position did Sir Adam Beck occupy in connection with the buying of horses throughout Ontario?

Sir SAM HUGHES: While he was buying horses, he was employed by the Government.

Mr. PARDEE: Sir Adam Beck, for some reason best known to the Government and to himself, stopped buying horses, and when there were plenty of horses in Ontario that could have been sold, we were not allowed to ship them out of the country. Whilst that embargo was on, and after Sir Adam Beck had told the people of Ontario that he was not buying any more horses for the Canadian Government, ten or twelve carloads of horses were being shipped every day through the Sarnia tunnel on their way to Great Britain, although we have put on the Order Paper questions about the buying of horses both for the Canadian and the British Governments and we have been told by the Prime Minister that for reasons of state these questions cannot be answered. What these reasons are I cannot understand. There are to-day in the province of Ontario thousands of horses that could be bought for war purposes. The minister, however, says that they are not needed. Last summer and the summer before the farmers of Ontario were in exactly the same position in regard to supplying horses, and yet horses were not being bought. I saw Sir Adam Beck and I said to him: "Why do you not come to the county of Lambton where there are hundreds of good horses?" He replied: "Horses from the lake ports are of no use." It is absolutely foolish for a man to make such a statement, whether, as some hon. gentleman says, it is a joke or not. I replied to him that they were just as good horses as could be procured anywhere else in the world, but the horses were bought from other sources and the farmers of Ontario were left with these horses on their hands. If the minister can give us a satisfactory explanation in regard to this matter, the farmers in my constituency will be satisfied.

Sir SAM HUGHES: Not one dollar of Canadian money went into foreign countries for horses; it was all expended in this country, and a large amount of money belonging to the British and the French Governments was also spent in Canada. The Canadian Government have all the horses required for war purposes, and the same is true of Great Britain. I presume that later on more will be required. It must be remembered also that the United States furnish a large number of horses to the French Government, and these might be among the carloads going through the Sarnia tunnel.

Mr. PARDEE: They were horses for Great Britain.

Sir SAM HUGHES: I do not know anything about that, but I know that the French Government bought horses in the United States and shipped them from Canadian ports. Of course I would consider it bad business on the part of the Government to buy horses which were not required. So far as I know, the quality of the horses purchased was all right. I had my officers examine the horses before they were taken over, and I believe that we got good value for the money. I do not think the farmers of Ontario would thank the Government for buying horses for which they had no use. It is no part of the Government policy to buy up all the horses any more than to buy up all the hens in the country.

Mr. ROBB: We on this side of the House are not complaining because the Government are not buying horses that are not required; our grievance is that this Government sent British and French buyers out of this country at a time when they wanted horses, and that the Government arbitrarily fixed the demand and the price for horses. The Prime Minister last session made a statement that for reasons he could not give this market had been left to the Canadian Government, we have the evidence of the Minister of Militia that they have bought all the horses they required, a small number compared with those offered for sale. And he said that the British Government had bought all that they required. The result is that the farmers of Canada are left with horses on their hands at a time when grain and hay are high, and the market is gone. The Government have removed the embargo on horses to the United States, and so far as our part of the country is concerned horses are going daily across the line. It is scarcely necessary for us on this side to find fault with the Government for the manner in which they have handled the horse business, that has been done very efficiently by their own supporters. Only recently at a meeting of stock-breeders in Toronto the Government were severely arraigned on this account by a member of the House who supports them. My friends are asking me why it is that Canada is buying her horses through Great Britain. I think I can understand why that was. When the war broke out the minister sent out letters to the members, asking them to recommend people as horse buyers in their several counties. In my county I recommended my opponent of 1908 and 1911, Dr. Walsh, who is a veterinary surgeon and knows horses. But for some reason he was not allowed to buy horses. Had none but men like Dr. Walsh bought horses for this Government there would have been no thirty-year old horses turned over to them. One reason why the British people lost confidence in the horses of this country was because horses were bought to be sent to Great Britain by men who knew nothing about horses. So they loaded up the department with old plugs that were useless, and naturally the English people said: If these are Canadian horses we can do without any more of them.

Sir SAM HUGHES: The hon. gentleman seems to think that these were purchased for the Canadian Government. General Benson was not buying for the Canadian Government but for the British Government. When I communicated with General Benson, I communicated with him as buyer for the British Government.

Mr. ROBB: That only emphasizes the point I make. Men who were not competent to buy were appointed to that duty, and so they sent inferior horses to Great Britain and our horses were judged by the plugs that were sent over. That is why our farmers have hundreds of thousands of horses on their hands. As to the matter of confusion, why would not the same rules apply to the purchase of flour and oats? I understand that one of the ministers is making flour purchases for all the Governments, and I believe he is doing it pretty well. I believe he is getting the flour at near cost, for I know that many mills are willing to sell almost at cost to these British markets. Our farmers did not ask an arbitrary price for their horses; all they wanted was to sell them. And they do not feel kindly when they realize that as the hon. member for Lambton says, hundreds of thousands of horses were sent through Canada from the United States. And that is not the worst. Some of these horses were inspected in Canada and rejected. Then they were turned on this market to spread disease among Canadian horses.

Sir SAM HUGHES: Can the hon. member give me an instance of any horses so rejected and spreading disease?

Mr, ROBB: My authority is the hon. member for South Ontario (Mr. William Smith) who made that statement at a meeting of stock-breeders in the city of Toronto recently. His statement was published in all the newspapers.

Mr. J. J. HUGHES: There is no manner of doubt that the Government has bungled this horse business terribly.

Some hon. MEMBERS: Oh, oh.

Mr. HUGHES: There is nothing to laugh at; I am stating an actual fact. We have the statement of the minister to-night that there was confusion in the buying of horses. The hon. member for Huntingdon (Mr. Robb) pointed out one result of the early purchases that were made. It is very little wonder that the British Government should turn from buying horses here. Though the Minister of Militia evidently has never heard of it, as a matter of fact there was a discussion in the British Parliament arising out of this matter. One of the members of the British House asked the Ministry concerning a number of horses that had been slaughtered and were becoming a nuisance in some village in England, and he wanted to know what steps the Government would take to abate the nuisance. All this can be seen by a reference to the debates of the British House. The minister in reply stated that the matter had been brought to his attention and that steps were being taken by the Government to abate the nuisance. This was the kind of thing that destroyed the horse trade in Canada to the great injury of our people. They started out to buy horses, appointing every Tom, Dick and Harry as their agents, men who knew nothing about horses. The sworn testimony last year before the Public Accounts Committee was shocking. Horses were bought at $10 and a few days afterwards were sold for the use of the soldiers at $110. A horse that was exchanged for two ducks and a drake, and good for nothing at all, was also bought. Such horses were bought in Kings county, Nova Scotia, yet when they came to Valcartier, the hon. minister tells us he never saw a better lot of horses. A statement of that kind, Mr. Chairman, is simply ridiculous. At all events, the horse trade in Canada has been greatly injured, and the British and French Governments have bought horses in the United States while our farmers have hundreds of thousands of horses on their hands that they cannot sell. It is a serious state of things, for which the Government is responsible.

Mr. A. A. McLEAN: Two gentlemen came to Prince Edward Island to buy horses for the British Government. They bought three or four hundred artillery horses, and they told me they had never sent forward a better bunch. The Canadian Government also sent men to buy horses, and I venture to say that not one of the horses bought in Prince Edward Island were rejected. As to the horses of Ontario, I do not know anything about them. It may be that some of the horses bought in the United States were of a poor class, not being broken, but so far as the horses bought in the Maritime Provinces are concerned, I believe that, except a few sold to some of the buyers, they were as good horses as any country could supply.

Mr. HUGHES: That only confirms my position. I know that the horses purchased in Prince Edward Island were first-class. And a great many of the same kind of horses are there still, and there is nobody to buy them, while the British Government is buying horses in the United States.

Sir SAM HUGHES: No.

Mr. HUGHES: They were a short time ago. While these horses were for sale in Prince Edward Island, the representative of Major General Benson was buying horses in the United States. Is the hon. member for Queens, P.E.I., satisfied with the way the Government is managing the horse business? Our constituents in Prince Edward Island have thousands of horses on their hands for which they have no sale. These horses are the best in Canada, and are quite suitable for army purposes. Notwithstanding these facts, the Government sent the British and French buyers away from the country and would not permit them to buy horses in Canada. Is the hon. member for Queens, P.E.I., satisfied with that condition of things?

Sir SAM HUGHES: As soon as the Canadian Government had purchased its horses, the French and British buyers were let in. Canada has furnished twice as many horses to the British and Canadian Governments as the United States, in proportion to the size of the respective countries. The horses supplied by the Canadian and British Governments are infinitely superior to horses purchased in any other part of the world.

Mr. HUGHES: Our horses are?

Sir SAM HUGHES: Canadian horses are. They are sought all along the line; the British Government seeks Canadian horses.

Mr. PROULX: Why were more horses not bought?

Sir SAM HUGHES: Because they have all they want.

Mr. OLIVER: This country is part of the British Empire; as such, it was entitled to the first call for horses.

Sir SAM HUGHES: And got it.

Mr. OLIVER: It got the first call; then, through the Prime Minister, this Government objected to the British Government buying any horses in Canada last year. As a consequence of that objection, the British Government and the Allies have bought half a million horses in the United States at an average price of over $200 each, while the average price paid for horses in Canada has been less than $175 each. There were plenty of attempts by the allied powers to take over at a good price horses for sale in Canada, and the Canadian farmer was entitled to that consideration, if not at the hands of the allied Governments, at any rate at the hands of this Government.

Sir SAM HUGHES: The hon. gentleman is entirely in error as to the prices. He is quoting, on the one hand, the price delivered in France, and, on the other hand, the price paid in Canada.

Mr. J. J. HUGHES: On the 14th of last month I put a question on the Order Paper, some of which the Prime Minister answered, and some of which he said it would not be in the public interest to answer. He said:

I understand that the French Government is buying horses in Canada at the present time.

I wanted to find out something more about the matter. I wanted to see if we could sell horses to the French Government, because we certainly wanted to sell them to somebody. A day or two later I put the following question on the Order Paper:

Where is the French Government purchasing horses in Canada? What are the names and addresses of the parties representing the French Government in this matter?

The answer of the Prime Minister was: "We are endeavouring to procure this information." The Government of Canada, knowing the number of horses that were for sale in this country, stated that the French Government was buying horses here, but that they did not know where they were buying or what persons were representing the French Government in the matter. The Prime Minister said further, in answer to this question:

I understand that the Hudson Bay Company have purchased some supplies for the French Government, but I am not quite sure as to the nature and extent of these. The officer connected with the purchase of horses, who was recently in Ottawa, is absent at the present time; but the information will be procured as soon as possible.

According to the statement of the Prime Minister representatives of the French Government were in Ottawa, but further than that the Government had no information. Hundreds of thousands of horses were obtainable in Canada, yet the Government, as is apparent from the answer given by the Prime Minister, were taking no interest in the matter. Really, the Government should be ashamed of the way this business has been handled.

Sir SAM HUGHES: The hon. member should know that the Hudson Bay company is agent for the French Government. If he had been anxious to secure the information for which he asked all he had to do was write a letter, put a three-cent stamp on it, and send it to the Hudson Bay company.

Mr. HUGHES: The hon. gentleman says that the Hudson Bay company are agents for the French Government. The Prime Minister did not know that on February 1.

Sir SAM HUGHES: Yes, he did.

Mr. HUGHES: If he knew it he would not give me the information, because he said:

I understand that the Hudson Bay Company have purchased some supplies for the French Government, but I am not quite sure as to the nature and extent of these.

Sir SAM HUGHES: It is not the Prime Minister's business probably.

Mr. HUGHES: I asked the question not of the Prime Minister, but of the Canadian Government. This was a question for the Government, and the Minister of Militia and Defence should have given information on the subject if he had it. Surely the Prime Minister would not undertake to answer a question of this kind without applying to the proper officer or to the proper minister for information.

Sir SAM HUGHES: The proper officer is the Hudson Bay Company.

Mr. HUGHES: I am pointing out to the minister that the answer which I got from the Prime Minister on February 21 was to the effect that the Government did not know that the Hudson Bay Company was buying horses for the French Government.

Mr. MURPHY: If I had known that the hon. member for Kings, P.E.I., (Mr. Hughes) was seeking this information, I could have supplied him with some of it myself and I would not have had to go to the Hudson Bay Company for it. I hold in my hand a bill of sale of some horses sold to representatives of the French Remount Commission by a constituent of mine, at Lansdowne Park, in the city of Ottawa, two months ago. He informs me that he had to sell these horses through a well-known Tory heeler, and that after the price had been agreed on between him and the purchaser of the horses, he afterwards received a memo setting forth the details of the alleged sale, and enclosing a cheque for the amount, which, after it had passed through the hands of the middleman, was considerably less than the price which he had agreed upon with the original purchaser. It might strike you, Mr. Chairman, and the committee as strange that that should have happened, but the man in question is illiterate; he can neither read nor write. I am investigating this particular transaction at the present time. It is a fact, therefore, that horses were purchased at Lansdowne Park in Ottawa for the French Government, and not by the Hudson Bay Company. I can quite conceive that the Minister of Militia would not know anything at all about that. As to the purchase of horses in Canada, I think that the hon. member for South Ontario (Mr Smith) furnished the real reason for the trouble about the purchase of horses in Canada. If my memory serves me correctly, the hon. gentleman attended a meeting of the Horse Breeders' Association in Toronto on February 3, 1915. At that meeting he made the specific charge that there was too much graft in connection with the purchasing of horses that was then going on in Canada. He alleged as the reason for that that the men whom this Government had sent out to purchase horses did not know anything about the business. The exact phrase that he used was that "they might be able to play marbles, but they could not buy horses." The same hon. gentleman furnished us an additional reason only last week, again at the annual meeting of the Horse Breeders' Association in Toronto. At that meeting he referred to the statement that he had made a year ago, and supplemented it with the information that the people whom he was addressing knew that he was a strong party man, and that he had been called to account in Ottawa for the statement that he had made at the meeting of the Horse Breeders' Association last year. Notwithstanding that, he alleged that the additional troubles that had existed subsequent to that were due to the fact that there were too many middlemen between the farmer and the Government. The reason given last year was that the men sent out did not know their business; they could play marbles, but could not buy horses. The reason this year is that there were middlemen between the Government and the farmer. That seems to be the essence of the whole matter.

Sir SAM HUGHES: I have not seen these statements.

Mr. MURPHY: I will send them over to the minister.

Sir SAM HUGHES: If any gentleman in any part of the Dominion makes the statement that after the preliminary buying, middlemen have come between the Government and the farmers in the matter of horse purchases for the Canadian Government, he is making a statement that is absolutely without foundation.

Mr. MURPHY: Then the minister is rebuking the hon. member for South Ontario (Mr. Smith).

Progress reported.

On motion of Sir Sam Hughes, the House adjourned at 11.43 p.m.

Friday, March 3, 1916.

The House met at Three o'clock, the Speaker in the Chair.

PRIVATE BILL INTRODUCED.

Bill No. 49, for the relief of Lillian May Dent.—Mr. Douglas.

CORRECTION.

On the Orders of the Day:

Mr. GEORGE H. BRADBURY (Selkirk): I desire to call the attention of the House to an error that occurred last night. When I was speaking of the patronage in connection with the 108th Battalion, Selkirk, Hansard makes me say:

> The 108th Battalion is stationed at my own town of Selkirk. The barracks were obtained from a Liberal, a member of the local legislature. Every dollar of the money spent in fitting up the barracks went into the pocket of that hon. gentleman.

What I said, or intended to say, was that this money went into the improvement of the property. The money did not go into the hon. gentleman's pocket. I say this in justice to Mr. Parrish, who has done everything possible to facilitate matters in connection with the 108th Battalion. It would not be fair to him to say that the money went into his pocket, and I did not say so, or, if I did, I did not intend to say so.

SUPPLY.

The House in Committee of Supply, Mr. W. H. Bennett in the Chair.

Arts and Agriculture—Patent Record, $30,000.

Mr. PUGSLEY: The hon. gentleman who is in charge of these Estimates (Mr. Hazen) will recollect that the Minister of Finance stated that there were items in these Estimates aggregating about $29,000,000 which the Government thought it would not be called upon to expend in the coming year. If the minister would state the items in this department that go to form part of that $29,000,000, it would facilitate the work of the committee.

Mr. HAZEN: I believe that there are such items among the votes for the Department of Agriculture, but I can hardly indicate them in advance. As each item comes before the committee, I shall be able to tell whether it is in that category or not. The hon. gentlemen will understand that I have not the same familiarity with these Estimates that I have with those of my own department.

Mr. PUGSLEY: It would be convenient if the minister could get from some officials of the department a list of these items.

Mr. HAZEN: As to the item now before the committee, it is the same amount that has been voted for a number of years past. It is for the printing of the Patent Record, and is payable to the Department of Public Printing and Stationery, so that it goes from one department of the Government to the other. Copies of the Patent Record are sent free of charge to members of the House, to 272 libraries in Canada and the United States, to certain Government officials, and as exchanges. The Patent Record is sold at 20 cents a copy, or $2 a year. The amount spent in this service in 1914-15 was $25,199. The amount spent in the current year, up to January 31 last, was $18,118.71. So a greater sum than this will be required.

[Mr. Bradbury.]

Experimental Farms—maintenance of Central Farm and establishment and maintaining of additional branch stations, $846,000.

Mr. PUGSLEY: There is an increase here of $61,000.

Mr. HAZEN: That is made up of the following proposed outlays: Illustration stations, $29,000; exhibitions and extensions, $9,000; cereals, $5,400; tobacco division, $5,700; expenses of central farm, $4,500; flax investigation, $5,000. The item for cereals provides for a wider seed distribution, because more people are asking for seed. The additional expenses for the Central farm are emergency items not chargeable to any division of that work. The rapid expansion of the work and the expenses incidental thereto make it necessary to have this additional sum. It will be noted that there is $5,000 for a flax investigation. Hon. gentlemen will remember that this matter was discussed in the House a few days ago. There is a very general demand throughout the country for the establishing of a branch to deal with the flax question; this item is to cover the expenditure necessary in this connection.

Mr. PUGSLEY: When was the present poultry house erected at the Experimental Farm, and what was the cost?

Mr. HAZEN: It was erected the year before last, at a cost of about $4,000.

Mr. MARCIL: Can the hon. minister give us a list of the additional branch stations to be erected under this vote?

Mr. HAZEN: I understand that no decision has been arrived at with regard to the erection of additional stations during the next year.

Mr. MARCIL: Has the hon. minister a list of the stations that were established last year?

Mr. HAZEN: New experimental farms were established last year at Borden, Manitoba; Summerland, B.C., and Lennoxville, Que. In addition, a large number of illustration stations were established in different parts of the country. In the case of illustration stations, a farmer chosen in a particular community undertakes to conduct a specified portion of his farm according to rules laid down by authorities of the Experimental Farm.

Mr. MARCIL: Could the hon. gentleman name a few of the places in Quebec where these stations are established?

Mr. HAZEN: The illustration stations established in Quebec are at Aubrey, Drummondville, Lac à la Tortue, Nominingue, New Carlisle, Rimouski, Stanbridge, St. Gedeon, Ste. Julie.

Mr. KYTE: How many of these stations are there in Nova Scotia?

Mr. HAZEN: I am informed that there are none in Nova Scotia.

Mr. MARCIL: I understand that there are three experimental farms in the province of Quebec?

Mr. HAZEN: Yes, at Lennoxville, Cap Rouge, and Ste. Anne de la Pocatière.

Mr. MARCIL: I understand that there is no experimental farm in the district of Chicoutimi and Saguenay?

Mr. HAZEN: There is an illustration station, but no experimental farm.

Mr. MARCIL: Can the minister give us a list of applications for stations that are now under consideration?

Mr. HAZEN: A few applications have been received, but I understand that there is no list of them in the department.

Mr. ROBB: In the case of these illustration stations, what is the farmer paid for the use of his land, and for his extra labour?

Mr. HAZEN: The farmer is paid a sum of money that amounts to about $5 an acre, and he is furnished with seed. He carries on the operations under the supervision and instruction of the officials of the Experimental Farm.

Mr. MARCIL: Can the minister give us any information as to the rotation of crops at the stations in the province of Quebec?

Mr. HAZEN: It is a four-year rotation, going in this order: the first year, a hoed crop, such as corn or roots, such as potatoes; the second year, grain; the third year, clover; the fourth year, pasture.

Mr. MARCIL: Would the minister give a report of one of these stations and a statement of the results obtained?

Mr. HAZEN: They were started only last year, and I understand that the reports have not yet been received at the department.

Mr. KAY: There is an experimental station at Stanbridge in Missisquoi?

Mr. HAZEN: Yes.

Mr. KAY: On whose farm?

Mr. HAZEN: Mr. C. Moore.

Mr. CARVELL: Are there any illustration stations in New Brunswick?

Mr. HAZEN: No. The only places where there are illustration stations at present are in Saskatchewan, Alberta and Quebec.

Mr. CARVELL: I suppose the amount of money involved is small, perhaps a few thousand dollars in each case.

Mr. HAZEN: It is much smaller than that. They pay the farmers about $5 per acre for the land used and supply them with seed.

Mr. OLIVER: Who gets the crop?

Mr. HAZEN: The farmer.

Mr. CARVELL: I am not a farmer in the sense that some of my friends around me are farmers, and yet I take an interest in farming. It has always seemed to me that the course the department has recently taken is a great advance on the course pursued in the past. The minister will remember that a year or two ago we had a discussion in this House about an experimental farm which the minister was instrumental in having established at Fredericton and which I criticised very severely. I find in the Auditor General's Report for the last fiscal year that that farm has cost $50,278. There has been a small return, a few hundred dollars, but I think I am safe in saying that its net cost has been $100,000. It may have been of some value; I will not say it has not; but I think that even the minister will have to admit that it is not producing the results along educative lines in agriculture that we would like. I think it is in the wrong location; but we will not go into that. I hope the department will stop spending money by the hundreds of thousands of dollars in one place, and distribute it around the country so that many people will be able to derive advantage from it. I do not suppose that 500 farmers in a year would take advantage of the educative branch of the experimental farm at Fredericton, and I doubt if one-half of 500 a year do. It does seem to be an enormous amount of amount of money to expend for the results attained.

Mr. HAZEN: The gentleman who is coaching me to-day says there are 300 farmers from various parts of New Brunswick visiting that farm to-day.

Mr. CARVELL: My hon. friend knows that is an annual occasion. It is all very well to entertain them there, but that is not a great advantage from an educational standpoint. I am sorry to say that in New Brunswick we are not raising stock to anything like the extent we should; we are not raising one-tenth of what we ought to. Farmers will not derive any advantage in respect to stock raising from visiting the farm. I see by the Auditor General's Report that the department has purchased for that farm cows costing from $30 to $40. At that price they cannot be pure-bred stock or even good grade stock. I have before me an item of the purchase of 5 heifers from W. E. Kirk, New Maryland, for $153. That would be only $30 apiece. What is the sense of buying heifers at $30 apiece to put on an experimental farm? I do not know why things of this kind are done at that farm. The gentleman in charge ought to have knowledge of agricultural matters. He has occupied public positions long enough. It may be that he has occupied them too long, and possibly that it would be better to have a man who had yet to gain a reputation; we might then get better results. I do think it would be better to stop spending money in Fredericton. This $100,000 ought to be enough for that place. In the first place, I think for political reasons, the department bought a farm which is of little value for experimental purposes. While there are a few acres of good land in the front, that is all the good land there is on the farm. They have hired men by the dozen and have employed them in clearing the land and taking out the roots and stumps; and any person going into Fredericton over the Canadian Pacific railway and seeing this farm would not buy any of it for pasturage, let alone experimental purposes, except perhaps these few acres at the front. I would call attention to pages A-24, A-25, and A-26, in the Auditor General's Report. The Acting Minister of Agriculture knows every foot of that land, because it is within three miles of the place where he lived until he was a man; he knows it much better than I do; and I think, if he will tell the honest truth, he will have to admit that we are getting very poor returns for this enormous expenditure.

Mr. HAZEN: I do not want to enter into a discussion as to the details, as my hon. friend and I discussed this farm in the House on a previous occasion. In my opinion the farm is admirably located. It is close to Fredericton, within the city limits, although it is about two miles from the Parliament buildings.

Far from being a waste, I would call this excellent land. Before being bought it was inspected by the Director of Experimental Farms at Ottawa, a gentleman who has been in the Service for a good many years, and who is recognized as an authority, and it was also inspected personally, I believe, by the Minister of Agriculture, and they came to the conclusion to buy that property without the slightest political influence being used. However, that is simply by the way. Of course, the establishment of a new experimental farm costs a certain amount of money. Buildings have to be erected, land has to be cleared, drainage has to be put in, and all these things naturally make the cost of an experimental farm in its earlier stages greater than afterwards. That is the case with the farm at Fredericton, as it has been the case with similar undertakings elsewhere. With regard to the stock, I am informed—I am not speaking as an expert; I am simply occupying the position temporarily during the unfortunate illness of the Minister of Agriculture—that the heifers that cost $30 each were simply grade heifers. What they are trying to do is to show the farmers in the neighbourhood, and the farmers who go there, how to improve their stock, even if they are only grades. In New Brunswick we have some good herds, but as a rule they are grade cattle, and the object on the experimental farm is to buy those heifers, have them covered by thoroughbred bulls, and so improve the general stock of the country, where grade cattle are largely used and there are not many thoroughbreds. To embark at once on thoroughbred stock involves a considerable outlay of money which would be beyond the reach of a great many farmers who do not farm on an extensive scale. Buying grades and having them infused with thorough-breds improves the stock, and in exemplification of what can be done along that line I am told that there has been a general production of good stock throughout the country.

Mr. CARVELL: I hope the minister is right. In addition to what I pointed out, I find this item in the Auditor General's Report: "T. T. Mersereau, Russiagornis, one cow, $30." Just think of an experimental farm buying an old cow for $30. It

takes a lot of faith in the minister's explanation to make one believe that they would buy that cow.

Mr. HAZEN: I am informed that the stock-breeding is managed directly from the Experimental Farm here, and that those purchases have been made under the direction of the Director of Experimental Farms, whose headquarters are at Ottawa.

Mr. CARVELL: I accept the minister's explanation, and I only hope the policy will work out as well as they think it will. I do notice in the Auditor General's Report that they have been buying some good cattle. They bought three Shorthorn cattle from G. A. Jackson, Downsview, Ont., for $820, and five Ayrshires from J. F. Owen, Stonefield, P.Q., for $1,200.

Mr. JOSEPH GIRARD (Chicoutimi-Saguenay): (Translation.) Mr. Chairman, I should like in passing to make a few remarks on the Estimates of the Minister of Agriculture. I have just heard a discussion on experimental farms, and, as I understand, some of my fellow-members find fault with the price of maintenance as being too high, and criticise the purchase of certain cattle at what they deem too low a price.

Experimental farms, I take it, have been established in the country through the expenditure of public funds for the purpose of conducting, on a large scale, experiments covering protracted periods and such as most farmers could not undertake themselves, but which they find of invaluable benefit after the trials are made and the results published.

Naturally, that experimental work entails a large expenditure without any definite financial return, but it is of great financial advantage to the people. Yet we are aware that at Ottawa, the part of the farm which is cultivated for general purposes, gives fair returns, notwithstanding that all the work is done by day labour and the salaries paid are higher than the general run for farm help.

Buying low-priced cattle has been criticised. Everybody knows that. But why were they bought? When low prices are paid for milch cows, the purpose is to demonstrate experimentally that, even with all possible care, buying such cows is not profitable. By means of the official results of a number of experiments, the farmers may be made more easily to understand that cattle of that sort means a loss to them. Ridiculous prices are purposely paid for stock, to prove by official test how utterly unsatisfactory will be the results secured therefrom. Then lecturers are sent throughout the country, meet the farmers and speak to them in a practical way and make use of the statistics supplied by such painstaking experiments.

At other times, cattle are bought in the country to experiment for beef. Of course, some of the stock procured in the country is obtained at a low price, others come higher, and experiments are made year after year with those cattle. They are attended to in the same way and fed the same rations so as to make sure what animals in fattening will yield a profit, and what others will not. Those experiments must cost money to us, but the benefit to the farmers more than warrants the expenditure.

I, for one, urge on the Government to keep on making those experiments as extensively as possible in all branches of the farming industry, because their discontinuance would prevent the farmers from making the good money they now make; and because the Government is indirectly recouped of its expenditure.

I wish to state that when the appointment was made of a general director of the experimental farms of the Dominion to succeed the late William Saunders, it was, as I know, a promotion given to an altogether deserving and capable officer.

I say then, that expenditure on the experimental farms in Canada, controlled of course, by the general director at Ottawa, should not be the subject of criticism from persons without any experience on the farm. It is a well-known fact that, for no possible reason would that official betray his minister's confidence, and that he gives the service all the knowledge, the readiness and the honesty an agriculturist of his standing can command. So, some of those gentlemen who are neither agriculturists, agronomists or farmers, or anything else connected with farming, had better stop entering into a kind of criticism I always dislike to hear. If in the public service there are any higher officers whom the country can trust as being strictly honest and competent, such a one is the official I have just spoken of, as all may certify who know Mr. Grisdale; so that, to dare criticise his acts, one must have qualifications and honesty much above those of the average good citizen.

Speakers have referred to illustration stations last summer. The hon. the Minister of Agriculture was good enough to establish one of those stations in my district. We

hope to see it develop into a regular branch of the Ottawa Experimental Farm. Illustration plots are not very expensive and help to demonstrate the kind of management best suited to the land around. There is nothing in it for the farmer who is in charge, as he receives barely what can pay for his trouble; but the plots are just what is wanted to spread among the farmers of the different provinces the knowledge of practical farming.

I congratulate the Minister of Agriculture on this improvement in agricultural education; his efforts are bound to give good results.

Certain Quebec papers have made violent attacks on the Minister of Agriculture for his providing breeding stock everywhere in the country to societies asking for them; of course there is no political preference shown. The complaint has gone that a great number of animals thus provided were unfit for breeding purposes, that they had been bought at ridiculous prices to help certain political friends, who wanted to get rid of their useless animals. I investigated and am aware of the prices that were paid. In my county the farmers who through their regular organizations, have been provided by hundreds with breeding stock of all races, know that the animals had been well selected. I have looked over those animals; they have been well selected and well bought. Some of those that have been provided throughout the country, may have been unfit, but that comes from the veterinary surgeons improperly diagnosing the health of the beasts and also because it is impossible to foresee the inability of a particular individual.

But even if the complaint were true, the Dominion Minister of Agriculture, would not be more to blame than the Minister of Agriculture for Quebec, who himself, during many years, has imported at a high cost Ardennais stallions which he sold at a heavy cost to the agricultural societies of the province and among which horses were found absolutely unfit for breeding purposes notwithstanding all the pedigrees and health certificates signed by European and Canadian inspectors.

I have had the honour for many years to be president of the Agricultural Society of Lake St. John. We decided to take advantage of these Ardennais stallions to improve our stock. At one time, we had as many as nine stallions, which had cost us $1,000 each, and there was one of them altogether unfit for breeding, so that we had to sell him for $300, the society being out $700. In the Dominion Government scheme, if the animal should prove unfit, the Government bears the loss, as the stock is only lent to the farmers; while in Quebec, the associations themselves buy, pay and have to bear any loss. A man must be quite bold to write to the papers in criticism of the Dominion Government's scheme which has proven so beneficial, for the purpose of preventing its development, and at the same time, keep silent about the defects in the provincial organization. That is mere political agitation. Another great advantage which the farmers enjoy under the plan forwarded by the Dominion Minister of Agriculture, is that once they have selected a particular breed they have to keep on with it, so that every farmer may within a few years by judicious selection have a good stock of thoroughbreds, instead of what we have almost everywhere, a mixed grade which are not at all as valuable as the thoroughbreds. The Quebec Government is absolutely careless as to selection. As proof, we have the well-known want of control exercised over the breeding of the Ardennais horses. Thus it is that if you travel in the province of Quebec, you will seldom meet with thoroughbreds; you may account for it by the fact that the Provincial Government does not keep track of the work in the agricultural societies and clubs, so that the latter buy any breeding stock and go on mixing their stock at will. So that the Dominion department must keep on its good work to remedy the results of the incapacity shown by the Quebec authorities.

I must call the attention of the Minister of Agriculture to the manner in which his agreement with the Quebec Minister of Agriculture respecting agricultural training is carried out. Last year, he paid over $27,000 to the Dairy Society of Quebec and in return the Provincial Government was to divide the whole province into fifty butter and cheese syndicates, the Provincial Government itself paying the inspectors' salaries. Prior to that the province had about seventy syndicates in operation and they did not cover the whole province. The inspectors were paid partly by the Government and partly by the cheese and butter factories, and hired by the farmers, which meant that they were not so independent of their patrons. I was a long time member of the Quebec Society for the Promotion of the Dairy Industry; I was at one time its president, and I can say that we worked long and earnestly to secure this new system of syndicates which was introduced in 1915.

It was a practical reform, but it could

not be carried out without an unfair rider being tacked on to it. The Quebec Government got $27,000 as Ottawa's share of the expense, yet being anxious to levy taxes, though not for the war they turned around and taxed every factory of the province to the extent of $15 each at which the factory owners were so indignant that a number refused to pay. But the Government took proceedings to enforce collection and of course the law had to prevail. I suggest to the hon. the minister to see to it next time that the obnoxious tax be withdrawn.

Hon. Mr. CASGRAIN: (Translation.) Will my hon. friend suggest a means to have it withdrawn?

Mr. GIRARD: (Translation.) In the agreement between the two ministers of agriculture, there should be a way, I think, for the Federal Department to have its say; if it pays over money, it ought to make the payment conditional on the tax being withdrawn. I am no lawyer, but that seems to me the simplest way out.

When fifty inspectors were appointed, the best available men, I suppose, were chosen, without any political bias being shown. Yet here is what happened at Lake St. John and Chicoutimi. The four local inspectors, of several years' experience, who controlled the syndicates, had managed to have their cheese rated as among the best of the province. Two of them were discharged and two strangers appointed in their place. The western section of Lake St. John was so unfortunate as to get one of the new inspectors, with the result that, through his ignorance and the bad quality of cheese he got manufactured, the farmers there lost during May, June and July, $3,500. He was left there three full months and then his place was given to a stranger instead of the appointment going to one of the local men who had been discharged in the spring.

I do not think the farmers should thus be made to suffer through unqualified men being appointed. Although the last inspector was an improvement on the first importation, yet it was unfair to my county. I urge on the minister to see that in this year's agreement the farmers' interests be put out of the reach of the blunders of the Quebec Government. Contesting associations are not very numerous in the province of Quebec; one should be found in every parish; their practical and educational utility is great. There is one operating in my county, while there ought to be at least four. I realize the Government's anxiety in the present frightful crisis to cut down the expenditure everywhere. But for agriculture nothing, in my mind, should be spared; its development is the one great mainstay of the country at large.

It has been mentioned in papers and elsewhere that those associations cost a lot of money with no returns apparent and that their officers were incompetent. In my district, the chief inspector, Mr. Hudon, had fifteen years' experience as inspectors of butter and cheese factories, and the Quebec Dairymen's Association intended to appoint him at some future time as expert to cooperate with Mr. Bourbeau, the chief inspector. To say that he is incompetent is a bold assertion. I am not acquainted with the others, but they all have their certificates as syndicate inspectors issued by the Quebec Dairymen's Association. They should be qualified. The influence brought to bear to minimize the good work being done by those associations was ill-advised, and whoever is responsible is either a fool or a dishonest man.

It has been here stated that a part of this year's Budget would not be spent. Under present circumstances, the Government likely is justified in its stand. But the vote for agriculture should remain as it is, on account of so many interests being involved in that industry.

Every possible means should be taken to keep up the farmers' institutes. The farmers take to them more than ever, and their importance is much greater than a few years ago. For one thing, there has been a better selection of lecturers. With good lecturers the farmers, finding a greater interest in the institutes, spread the good news and more people are anxious to attend.

I think the House ought to be told that the farmer himself is the best judge of the speeches he hears, so that to be of use to him, the lecturers must be men speaking in a practical way, with common sense and in a language that he understands. So the minister ought to be very careful in his appointment of lecturers. The harm done by the appointment of some inferior men, cannot be overcome by the occasional appearance of a well-informed, competent lecturer.

Yearly the Dominion pays over to Quebec $60,000 for agricultural schools. I find that, notwithstanding that large amount, nothing has been done in my district. I would respectfully urge the minister, when the next agreement is entered into, to see that the Provincial Government establish a school of that kind at Chicoutimi, where it is absolutely required by the farmers. With the Seminary at Chicoutimi as a nucleus there

would be no difficulty in organizing the school on the same footing as was done at Ste. Anne de la Pocatière.

I ask the minister to note the number of graduates that come out every year from the agricultural schools of Quebec, who, although they could have gone into the professions, have preferred to take up agriculture. As bachelors, they are unquestionably entitled to consideration and encouragement from the Government. I know a number who speak and write fluently both languages, and I urge upon the minister the necessity of helping on in all possible manner those deserving young men.

Now, as I take my seat, I wish to express to the minister my thanks for what he is doing for the farmers of my county, who, as they are progressive, derive much benefit from his favours. But one question is pressing for immediate settlement. I said a while ago that the illustration farm which the minister has kindly established at Lake St. John last summer will be developed into a branch of the experimental farms. But on account of the special conditions prevailing in my county; of its geographical position at the very north of the province; of its isolation behind the Laurentians which, on acount of their well-known height over a length of one hundred miles, shut off the warmer currents that are felt over the southern slope; on account also of the late sowing, every year a few weeks behind the rest of the province, due to the wide sheet of ice on lake St. John; on account of its particular geological formation; of the dangerous frosts that occur early in the fall and late in spring, on account of all those conditions, and although the industry and intelligence of the people have made our farmers fairly thriving, the Government should not delay any longer the establishment of the branch I have referred to. Note also that the methods in use in the other experimental farms of the province of Quebec cannot be of use in my district, owing to the circumstances I have pointed out.

The hon. the Postmaster General (Mr. Casgrain) and the hon. the Minister of Inland Revenue (Mr. Patenaude) consented, last September, to take a trip to the eastern part of Lake St. John. They visited two parishes; they wanted to see for themselves; now they know, I ask them to exert their influence with the hon. the Minister of Agriculture to have that question settled without delay, 30,000 people would be benefited; they are the settlers of that country. Undeterred by the obstacles then in the way and the privations they had to undergo, they went bravely into the forest, where they have opened up about fifty parishes, well organized, and that are a credit to the country. The time has now arrived for the country to show its gratefulness without more delay.

I should not omit, as I take my seat, congratulating the hon. the Minister of Agriculture and the Government on the great success of their progressive policy toward the farming industry. I heartily wish that success will keep on, notwithstanding the appalling crisis now with us, and I assure the Government of my most effective support.

Mr. E. PAQUET (l'Islet): (Translation.) Mr. Speaker, I wish to make a few remarks concerning the agricultural work of the Dominion Government. I feel thankful to my good friend from Chicoutimi (Mr. Girard) for his always apt references to agriculture.

From 1901 to 1911, the population of cities and towns has increased 62 per cent, while the country population increased by a bare 70 per cent.

In the eastern provinces, the increase in the country has not been normal. The exodus from the farm to the city is much to be deplored. The Conservative Government, in view of the abandonment of farms, the scarcity of labour and the high cost of living, is striving constantly to give to agriculture the high place it should hold in Canada.

The Prime Minister, alive to the necessity of stimulating production, particularly farm production, appointed on the 15th of October, 1915, a Commission of Agriculture.

Economical conditions arising out of the war, impart still greater importance to the business of farming. The commission's special object is to inquire into the best methods of increasing production. The commissioners will seek the best means to obtain a heavier yield, improve the systems of instruction and demonstration, develop new productive areas, induce the immigration of farmers and farm hands, encourage co-operation, improve our transportation systems and find new markets. Allow me to quote the following words of the Minister of Finance:

> Canada's future depends on the development of its immense resources, of which agriculture is the most essential, and that development is itself linked with the increase in the number of producers and in the means that may be given them towards utilizing their intelligence and initiative.
>
> It is very likely that, in the financial stress which may hold for some years to come, the question of the capital necessary to the develop-

ment of agriculture may become of vital importance, and we intend, during the recess, to take up that subject carefully with a view to increasing present resources by the intervention of the Dominion Government, if it should be desirable and for the greatest good of the country. The Government has chiefly in view the creation of an organization to facilitate at reasonable rates loans which may be repayable on the sinking fund principle.

That question has some connection with the scheme of co-operation. Before co-operative societies were established in Belgium, agriculture was not very flourishing.

In 1903, a Belgian economist wrote as follows:

If the principles of scientific farming have now a hold on the country, if the farmers can now get, at a reasonable price, unadulterated manure and fodder for cattle, if they are in a position to secure easily the money they require, if their dwellings, their furniture, their animals can be insured at satisfactory rates, if they have been able to secure from legislation many conveniences, if they have become a power, what has done it all is association.

Denmark's salvation was effected by a complete reform in its methods, brought about by instruction and the application of the co-operative system to the production and diversification of farm produce, instead of by individual efforts.

We here must follow the agricultural policy of Belgium, France and Denmark, if we aim at making rapid though prudent strides in the way of progress.

A Liberal paper on the 27th January, 1916, published the following:

We have organized in certain localities cow-testing associations. For our Ottawa friends, it is indeed a success! In this instance again, the appointments went to good Tories, in most cases ignorant of their duties, who receive salaries of $1,200 a year.

That appreciation of the inspectors of Quebec is absolutely unfair. Hon. Mr. Fisher appointed an inspector in 1911.

Hon. Mr. Burrell has appointed in the province of Quebec nine inspectors, taken among those who had the widest experience in the dairy industry. All the inspectors have received certificates from the St. Hyacinthe Dairy school.

I congratulate the Government on having organized those cow-testing centres each being under an expert who devotes all his time to his duties.

I will now say a few words concerning the live stock branch of the Department of Agriculture. Those who would be fair to the Dominion Minister of Agriculture, are agreed that his policy concerning the live stock industry is a real help toward agricultural progress.

The scarcity of breeding stock is at the present time, one of the main obstacles to stock raising in many parts of Canada. So the Minister of Agriculture has undertaken through the live stock branch an important distribution of breeding stock. The work of that branch assumes greater importance from year to year. The Minister of Agriculture is submitting to the House an estimate of $600,000 for the purposes of stock raising. The expenditure for that industry in 1911-12 amounted to $94,000; in 1912-13, to $100,000; in 1914-15, to $300,000, and in 1916-17 it will reach $600,000.

A very large number of farmers all over the Dominion are now alive to the advantages of the minister's policy.

According to some Liberal newspapers, some breeding stock more or less healthy, were bought by the Dominion Minister of Agriculture without proper care. They claim that the stallions and other sires have been put exclusively in the hands of Conservative friends.

This charge is altogether unfair to the Government. In fact, according to the regulations under which the breeding stock is distributed, the members of the various associations choose their directors, and the directors appoint the person who will have the care of the sires.

According to an article in Le Soleil, the Department of Agriculture has distributed in Quebec thoroughbreds, standard-breds and other light horses.

In reading the report of the Minister of Agriculture, I find that during 1914 33 sires have been lent to farmers' associations. In that number there is not a single standard-bred and only one thoroughbred. There are fifteen breeders of Canadian breeds. In the county of l'Islet, one association asked for a Belgian sire and got it.

The critic in Le Soleil would not go to the trouble of applying for information at the department.

The same critic complains that certain breeding stock was bought without care and indiscriminately from the friends of the Government. The minister declares all the sires were bought by persons of experience, the purchases to be subject to the inspection of a veterinary from the Department of Agriculture.

The records of the department will show that barring a few isolated cases, all the animals received have been found highly satisfactory.

I would ask the officials of the department to be very careful in their method of distribution.

Stock raising has a bright future. At the winter fair in Ontario the Minister of Agriculture urged the farmers to increase their stock, that it was the surest and wisest policy.

Meat production begins to come up to the demand, but we can do better. Australia and the Argentine Republic are suffering from a crisis which has told on stock-raising. War has destroyed the European stock. So that it must be our farmers' care to take advantage of those favourable conditions to develop the stock-raising industry.

The operations of the Experimental Farms branch are constantly spreading. I desire to express my thanks to the hon. the Minister of Agriculture for his efforts to insure the success of the experimental farm at Ste. Anne de la Pocatière. Not long ago, the hon. member for Kamouraska (Mr. Lapointe) asked in the House that an experimental farm be established in the eastern district of Quebec. At Ste. Anne de la Pocatière, although the Government have done what was necessary to make a success of the farm, certain improvements are still required. The minister's well-known appreciation of the importance of the farmer will lead him to improve that farm and make it one to be admired by all agriculturists.

Among the various Acts passed to promote farming, few have more importance than that providing for agricultural instruction, an Act which was passed in 1913 by the hon. minister. Under the wise guidance of the minister, the law was passed and the directors of our agricultural colleges have been put in a position to appoint staffs of devoted, educated and experienced teachers. In the province of Quebec, under that statute buildings have been added to and the equipment improved in all the institutions for the promotion of agriculture. I can speak more particularly of the work done at the agricultural college of Ste. Anne da la Pocatière. Out of the Federal grant, large sums were received to put up new buildings so as to provide better accommodation.

While the religious orders who have charge of our agricultural colleges are working strenuously for the advancement of agriculture, the Provincial and Dominion Governments are co-operating to the same end.

We are making great sacrifices towards the development of our agricultural colleges. Young men who have acquired a classical education have taken to farming. The Federal and Provincial Governments should earnestly see to those young men and appoint them to positions for which their studies and their talent has prepared them. It is the best way of encouraging the agricultural schools.

Writers and orators sacred and profane, are trying to instil a taste for farm life and farm management into the minds of the Canadian farmers and youths. They extol the exalted position of the tiller of the soil, who can do so much for his country's prosperity.

The live stock branch has organized farmers' institutes in French-speaking districts of the province of Quebec, to promote a campaign of patriotism and production. The farmers have taken to them with much earnestness. They showed clearly that their patriotism was responsive to the proposal. The success of the spring campaign in 1915 was due in a large measure to the co-operation of ministers of all denominations, and especially the parish priests. We are indebted to the clergy who have been active in encouraging an increase of production in the province of Quebec.

In concluding I feel bound to recall the name of a former member of this House, the late Mr. G. A. Gigault, Deputy Minister of Agriculture for the province of Quebec. He was the inspirer of the work carried on by our experimental farms. Mr. Gigault had been a pioneer in the field of scientific agriculture and has left imperishable monuments of his industry and zeal.

Mr. ERNEST LAPOINTE (Kamouraska): (Translation.) Mr. Speaker, I fully agree with the views expressed by hon. gentlemen opposite when they commend the work done by the Department of Agriculture, through the experimental farms. I am well acquainted with the institution at Ste. Anne de la Pocatière, which is established in the constituency I have the honour to represent and I realize that, though but a few years in operation, it can already show wonderful results towards the advancement and development of farming in that district.

I remember well that when we petitioned for that experimental station, we enlisted the support of all our friends from other parts of Quebec. I take pleasure to-day in seconding the request of the hon. member for Chicoutimi (Mr. Girard) that a similar establishment be located in the Saguenay and Lac St. John district; which is destined to become a great farming country.

That locality presents climatic and soil conditions altogether different from those prevailing on the south shore of the St. Lawrence. It would certainly be fair to the people of that extensive territory to provide

them with the same agricultural advantages which other parts have been enjoying for years.

I also hold with my hon. friend from l'Islet (Mr. Paquet) that the Government should give preference to the graduates of agricultural colleges in appointments as teachers of agriculture. When the experimental station of St. Anne de la Pocatière was established, a director was not appointed the first year, because the Hon. Mr. Fisher, ex-Minister of Agriculture wanted for the position a man duly certificated and speaking both languages; none were available at the time. Mr. Fisher used to say: The pupils are there, but we shall leave the position vacant until they can fill them.

In the fall of 1911, an event took place, which our friends on the other side of the House remember well. A new minister took charge of the Department of Agriculture, and his first care regarding the farm at St. Anne de la Pocatière was to appoint a director.

I have nothing to say against Mr. Bégin who fulfils his duty to the best of his ability and who is very active in his efforts to develop that experimental station; but Mr. Bégin is not a graduate of an agricultural college.

However, he had a most important qualification in the eyes of the Government; he had been the Conservative candidate for Lévis at the last elections.

Again I would say nothing against him; he certainly does his very best to have this experimental station show actual results. In that he is admirably supported by Mr. Grisdale, the director of the Dominion Experimental Farm, whose knowledge of agriculture is certainly not excelled anywhere. Yet I must point out that the appointment of Mr. Bégin is in direct opposition to the views put forth this afternoon by the member for l'Islet (Mr. Paquet) and I believe that is the only case in the Dominion where the director of an expermental farm is not a graduate of an agricultural college.

I now wish to say a word in reply to the strictures just made against the distribution by the Quebec Government of the Federal subsidy for agricultural purposes. How may the supporters of the Government complain, when they themselves it was who requested that the Department of Agriculture of the province of Quebec be kept in tutelage and receive a separate treatment which is nothing but an insult to the province.

In the other provinces, that grant is handed over, without restrictions of any kind, to the provincial Minister of Agriculture, who uses it as he sees fit and who has the most absolute discretion in its distribution. And after all such should be the relations between governments. But in Quebec, party considerations have prompted the Dominion Government to act differently and an official of the Dominion Department of Agriculture, Mr. J. C. Chapais has been appointed to supervise and superintend the distribution of the federal subsidy. How then can our hon. friends on the other side complain of the manner in which the grant has been spent, when they themselves have requested that its distribution be made under the supervision of a Dominion official? I protest against that guardianship and that kind of protectorate to which our province has been subjected.

The question has been raised, during this debate, concerning the purchase by the Government of race-pure stock. The Minister of Agriculture bought a whole herd for the experimental farm at Ste. Anne de la Pocatière. But I regret to see that the Canadian breed of cattle has been completely forgotten. The minister is fully aware of the well known qualities of the Canadian cow. I am particularly anxious to see the breeding of Canadian cows encouraged in the province of Quebec, and to that end, I should ask the minister to see that a few animals of that race be bought and put with the herd at the experimental farm at Ste. Anne.

I have nothing more to add, unless it be that the Minister of Agriculture and the Government may count on our hearty support, every time the estimates contain items required for the promotion and development of agriculture.

Mr. H. BOULAY (Rimouski): (Translation.) Mr. Speaker, in the few words I have to say to the House, I wish to state that I fully concur in the views of the hon. member for Chicoutimi and Saguenay (Mr. Girard) on agriculture. He has expressed his thanks to the Government for the encouragement the latter has given generally to farming in Canada, and more particularly in his constituency. The hon. member is a practical farmer, who knows whereof he speaks, and it is to be regretted—be it said passim—that there are not more farmers to be found in this House.

I for one wish to give thanks to the Minister of Agriculture for having begun the establishment of an illustration station in the county of Matane. I hope that in the county of Rimouski, which I have also the honour to represent in this House, the same thing will be done next year.

Those illustration farms are established to help the farmers, and they are operated in such a way that they are not too expensive and are bound to give good results.

The hon. member for Chicoutimi has spoken of a tax imposed by the Quebec Government on the butter and cheese factories. It seems to me that the governments, both federal and local, have always endeavoured, for many years past, to promote the manufacture of cheese and butter. That tax, it seems to me, instead of being an encouragement, is a very great drawback to the dairy industry. In the province of Quebec, the Government went to the extent of suing before the courts a factory that had neglected to pay that tax. If any taxation may be ridiculous, that one of all taxes seems to me the most ridiculous; and I think the Government of Quebec should do away with it. The Dominion Government has nothing to do with that impost, but it is nonsensical to make grants to an industry and turn around and collect a duty from it.

As to the complaints made by my hon. friend from Kamouraska (Mr. Lapointe) regarding our criticisms anent the distribution of the subsidy given to promote farming, I think that, if he would take up the report of the Quebec Government on the distribution made of those moneys, he will find that the men who get some benefit from the grant, are all his political friends. I can understand that as a good Liberal the Quebec Minister of Agriculture will favour his friends, but it seems to me he might be a little more generous towards the Conservatives in the distribution of patronage.

Some of his friends manage to reap a big salary out of the Dominion grant; but I should not complain if the Quebec Minister of Agriculture appointed Conservatives equally with Liberals.

I believe without any difficulty that there are in the counties of l'Islet and Kamouraska Conservatives just as competent as the Liberals to fill the positions of inspectors, either agricultural, apicultural or otherwise. After going over the report I have mentioned, I did not find the name of a single Conservative.

As to Mr. Bégin, I am personally little acquainted with him. He may not be a graduate of an agricultural college, but as the hon. member for Kamouraska stated, he seems to be well qualified otherwise and earnest in his work. I may say that very often in farming practical experience is of greater value than theoretical knowledge. A man who has spent all his life in the study of practical farming seems to me better qualified than one who has been through an agricultural college for two or three months only.

Now, I wish to call the minister's attention to some potato inspectors appointed since 1911.

Lately I asked the following question in this House and received the following reply:

Mr. Boulay:

1. Has the Government appointed any potato inspectors since 1911? If so, how many?

Mr. Hazen:

1. Yes. 28.

I am sorry the Government could not have appointed one at least of those inspectors from the county of Rimouski because it grows more potatoes than any other in the province of Quebec. The farmers of the county ship hundreds and thousands of carloads of potatoes, and not one inspector has been appointed from my county out of those twenty-eight. Yet the Minister of Marine (Mr. Hazen), from whom I received the reply, managed to have eight of them from New Brunswick.

Mr. DEVLIN: (Translation.) Did you recommend any one?

Mr. BOULAY: (Translation.) I never knew there were any to be appointed.

Mr. LAPOINTE: (Translation.) What are the names of those from the province of Quebec?

Mr. BOULAY: (Translation.) L. P. Lavoie, from St. Pascal; J. S. Dash and D. E. Lothian, from St. Ann's de Bellevue.

There are eight inspectors from New Brunswick and six from Ottawa. I wonder what those Ottawa people, especially if they come from the city, know about potato growing. I am told that they all have been dismissed except six, but those six are also from Ottawa. Moreover I will call your attention to the fact that out of the six, only one is a French-Canadian. And, as is very often the case elsewhere, the French-Canadian could not be given the same salary as the others who get $100 per month while he goes off with only $75.

There must be an end to those things. The higher officials of the Agriculture Department must be able to understand what we say and the French-Canadian employees must be put on an equal footing as regards salaries as all others; why should one be paid $100 and the other only $75?

The injustice I have pointed out is of long-standing; it has almost always existed; but for every ill there is a cure.

If I draw the attention of the House to such unfair discrimination, it is to prevent the recurrence of the evil in future; then there will no longer be any occasion for me to refer to the matter.

Mr. McCOIG: A year ago, when the Estimates of the Department of Agriculture were before the House, the Right Hon. the Prime Minister (Sir Robert Borden) assured us in the province of Ontario, where hog cholera was prevalent, that experiments would be made with the serum preventative treatment. I understand that the experiment has been carried on to a considerable extent at the experimental farms and also at the experimental stations throughout the different parts of Ontario. Can the Acting Minister of Agriculture give us some idea of the results that have been attained?

Mr. HAZEN: Might I ask my hon. friend to bring that matter up when the item bearing on the question is under discussion, and when I shall have the veterinary inspector, Dr. Torrance, here? It is not pertinent to the item now before the committee.

Mr. McCOIG: Very well. Another matter that I would like to bring up is the question of inspectors' salaries; but perhaps the minister would like to defer that also.

Mr. HAZEN: That will come up at the same time.

Mr. KNOWLES: Last session the hon. Minister of Agriculture (Mr. Burrell) explained at some length that he had in his mind the inauguration of a system of small illustration plots, each situated preferably at the corner of the road where a great many farmers pass, and that arrangements would be made for the land to be cultivated under the direction of the department officials. I believe that has been done in some provinces, and I understand that Saskatchewan is one. Could the minister tell me how many plots there are in Saskatchewan, where they are and how the system is getting along?

Mr. HAZEN: There are 38 of these illustration plots established—15 in Alberta, 14 in Saskatchewan, and 9 in Quebec. In Saskatchewan the following are under way:

Assiniboia	P. J. H. Warren.
Cabri	F. W. Abraham.
Gull Lake	E. H. Thomas.
Herbert	Milton Holmes.
Kindersley	Ottawa Farm Development Co.
Maple Creek	G. L. Hammond.
Pambrun	E. W. Applegrem.
Prelate	Wm. Huxtable.
Shaunavon	Neil McLean.

The stations selected for 1916 in Saskatchewan are:

Biggar	Dr. S. E. Shaw.
Lloydminster	Hugh Hill.
Moosejaw	J. J. Glassford.
Radville	Lewis Kroon.
Weyburn	Edward Meredith.

There will be one also at Conquest, but I have not the name of the farm upon which it will be situated.

Mr. KNOWLES: What has been done so far?

Mr. HAZEN: Some of these plots were under way last year. They pay the farmers about $5 an acre for the land used.

Mr. KNOWLES: How far have they gone in opening this new system?

Mr. HAZEN: The ten plots I have mentioned were operated last year as far as was practicable. They were not in total operation, because the land had to be taken as it was found, and consequently preparation had to be made; but the ten were actually in operation.

Mr. KNOWLES: Every one of these plots that the minister has mentioned as being in operation last year happens to be in my constituency, and I am very well pleased to see them there. If they are any good at all my people might as well have the benefit as anybody else. What steps are taken to give the matter publicity? I go about my constituency quite a bit, and I take all the papers, but I have never learned anything about these plots until this afternoon. If they are to be useful their existence should be made known to the people, and I would suggest to the minister that steps be taken to make the different locations familiar to the public.

Mr. HAZEN: I am told that these are intended as illustration plots for the farmers in the localities where they are situated, and the expectation is that the farmers will very quickly know about them. In addition, there are two signs at the corner calling attention to the illustration plots. It has also been arranged that the superintendent, Mr. Fixter, shall hold meetings throughout the districts and call the attention of the farmers to these plots and the benefits that are expected to result from them. There are eight meetings arranged for in Saskatchewan, beginning on Monday next.

I would like to say a word in regard to the remarks made by my hon. friends from Quebec who have addressed the committee. I understood my hon. friend from Rimouski (Mr. Boulay) to criticise the department because of the appointment in New Brunswick of so many inspectors in connection with powdery scab, a disease affecting the potato crop, and the appointment of so few in Quebec. I am informed by the officials of the department that the reason for that was that there was need for more inspectors in New Brunswick than in Quebec for the reason that the disease was much more widespread in New Brunswick than in Quebec. My hon. friend says that six inspectors were sent from Ottawa. I am informed that these were men who were in the employ of the department here, that they were trained in that line of work, that they had special knowledge of it and were capable of grappling with an emergency of that nature. It has also been pointed out that some of these men receive $100 and others $75. That depended upon how long they had been in the service; the men who received $100 had started at $75 and had worked up to $100. I am told that the gentlemen who are getting $75, if they stay long enough in the service and show their capabilities, will receive increased salaries until they reach $100. There was no intention of making any discrimination at all; but they were simply following the policy of the department as to the salaries that are paid to the people in their employ. My hon. friend from Chicoutimi and Saguenay (Mr. Girard), and also my hon. friend from Rimouski, have referred to the taxing of cheese factories in Quebec. A tax of $15 per factory, I understand, is imposed by the local Government of Quebec upon all cheese factories in that province. I know nothing about the fact at all, and do not intend to discuss the matter beyond saying that I do think that it would be unfortunate, at a time when appeals are being made to the patriotism of the people to produce more in the way of food of all sorts, if they should be hampered by any tax unless this tax would be necessary for the purpose of carrying on the affairs of the country. The suggestion has been made that as the Government of Canada pays to the Government of Quebec about $250,000 this year under the Agricultural Instruction Act, there should be some arrangement made with the Government of Quebec, that it should, in consideration of that fact withdraw the tax from these factories in future. But it is a matter which the authorities in Quebec will have to decide for themselves, as I do not think the Department of Agriculture here is in a position to influence it in any way whatever.

I am sure it will be gratifying to my hon. friend the Minister of Agriculture when I inform him of the terms of praise in which the experimental farm at St. Anne has been referred to by the hon. member for L'Islet (Mr. Paquet). It will be very gratifying to him to know that, in the opinion of a gentleman who lives in the immediate neighbourhood of that institution, it is doing such good work among the farming classes. I shall be very glad to convey to him the suggestion of the hon. member to the effect that some of the young men who are pursuing their classical and other studies at Ste. Anne, while at the same time getting instruction upon agricultural matters, might, in the public interest, be appointed to the Government service. As a matter of fact, I understand that it has been decided for some months that young men graduating from this college shall be appointed to the service of the Department of Agriculture at a very early date. The hon. member for Kamouraska (Mr. E. Lapointe) referred to the fact that at the farm at Ste. Anne there were none of the breed of Canadian cows, or cows which are spoken of sometimes as Quebec Jerseys. This is certainly a very valuable breed of cow and a very economical producer. I remember that Sir William Van Horne, at his farm at St. Andrews, spoke to me of the qualities of these cows in terms of the very highest praise. I understand that they are free from tuberculosis and that they do not contract disease as easily as many other types of cattle do. There is a herd of these cattle at the Experimental Farm at Ottawa, and another herd at the Experimental Farm at Cap Rouge. I understand that it is not thought desirable to have too many kinds of cattle at these experimental farms. They think it better to specialize in one or two varieties.

I should like to make a statement to the committee which I think will be of interest. On the 4th of February a despatch was received by the Minister of Agriculture from the High Commissioner's office in London, stating that King George desired to present to the Canadian Government a stallion from his racing stable for the breeding of remounts, and had selected for the purpose a horse called Anmer, and asking whether the Canadian authorities would undertake the passage of the animal,

and how it should be sent forward. That was replied to on February 5, in a cable stating that the Dominion Government appreciated and would be glad to accept His Majesty's offer, and would undertake the passage of the horse. The horse has been shipped, and is expected to arrive at St. John on Monday or Tuesday of next week. I am not an authority on horse-flesh myself, but I am told that this horse is a regular aristocrat as horses go. He is probably the best bred horse that has ever come to Canada. Other hon. gentlemen in the House who understand more about horses than I do may be interested in the following memorandum about the horse's pedigree:

Anmer was not a forward contender as a two-year old in any race of importance. Had he been, he would have been mentioned as a possible winner of the Derby as a three-year old. It was in that race that a suffragette named Miss Davison ran out and clutched his bridle rein, and was killed; the horse was also brought down and put out of the race. This was in 1913, and he is consequently now only six years old. It is hardly necessary to say that having been bred by His Majesty, his breeding is superb. His sire, Florizel 2nd, was a full brother to Persimmon and Diamond Jubilee, both of which won the Derby and St. Leger for His Late Majesty King Edward VII, Diamond Jubilee also landing the two thousand guineas, for which race Persimmon did not start, being saved for the Derby. He won the Ascot Gold Cup and the Eclipse Stakes. Diamond Jubilee, after his victorious career on the turf, was sold, to go to the Argentines, for $150,000. Guinea Hen, the dam of Anmer, has proved herself a magnificent brood mare. She is by Gallinuile, sire of Pretty Polly, Santry and other great race horses. Indeed Gallinuile was the best stallion of his day, standing at the head of the winning stallion list three or four years in succession. Nightmare, dam of Guinea Hen, was descended from Musket, sire of the celebrated Carbine and Scottish Chief, by Lord of the Isles, son of the celebrated immortal Touchstone. Florizel 2nd, sire of Anmer, was by St. Simon, an unbeaten race horse and the most successful sire ever known. He was by Galopin, winner of the Derby in 1875, that besides St. Simon sired Donovan, winner of the Derby and St. Leger, and of $265,000, and some hundred and thirty or forty other winners. Florizel 2nd's fee in the stud was $1,500, and St. Simon and Galopin each commanded $2,500. Gallinuile was by Isonomy, the greatest handicap winner and cup horse of his time, and Moorhen, his dam, was by Hermit, winner of the most sensational Derby in half a century. Anmer traces directly within five crosses to all the best horses of different breeds, including those two grand rivals, Voltigeur and Flying Dutchman, King Tom, a wonder in many pedigrees, Newminster, Kettledrum, and Stockwell, the emperor of stallions. The best recommendation that Anmer has, apart from his conformation, which it was said at the time of his mishap, was superb, is that he is not only royally bred, but comes through a line of grand producers and exceptional performers. Another splendid virtue that he possesses is that he has not been raced out, and he is only now on the verge of a possible vigorous maturity as a stallion.

I am sure the House will appreciate this splendid gift from His Majesty the King. If the horse arrives safely, as we expect it will, we are sure it will be of great assistance in improving the stock in this country, and in breeding remounts.

Mr. SCHAFFNER: Speaking of illustration farms, how large are they?

Mr. HAZEN: In Saskatchewan and Alberta they are forty acres, and in Quebec twenty-five.

Mr. SCHAFFNER: Saskatchewan and Alberta are being very well looked after, especially the constituency of my hon. friend from Moosejaw (Mr. Knowles). Why has Manitoba been overlooked?

Mr. HAZEN: I feel like making a similar protest with regard to the province of New Brunswick. I fancy we shall all be looked after in time.

Mr. DEVLIN: Are these illustration farms to be established in every constituency throughout the Dominion?

Mr. HAZEN: I can hardly say that.

Mr. KNOWLES: In every doubtful constituency.

Mr. HAZEN: If the results are good, I have no doubt the farms will be very generally established throughout the country.

Mr. OLIVER: Might I ask for a list of the illustration farms in Northern Alberta?

Mr. HAZEN: There are illustration farms in Alberta, but not in the northern half.

Mr. OLIVER: I think there are.

Mr. HAZEN: This is the list: Bow Island, Carmangay, Empress, Foremost, Grassy Lake, Jenner, Macleod. Magrath, Manyberries, Medicine Hat, Milk River, Pincher Creek, Whitla. Stations have also been selected at High River, Stettler, and Manson; Stettler being the farthest north.

Mr. OLIVER: I understand that the Government is interested in a station of some kind at the Beaver Lodge Settlement, in the Peace River district. What class is that in?

Mr. HAZEN: That is not an illustration or experimental farm. There are a few places in Canada where the department

selects a farmer and sends him certain grains and seeds, with instructions how to plant. The farmer carries out the instructions and reports results to the department. The station my hon. friend refers to is one of that kind.

Mr. OLIVER: I think this particular one is very well chosen, and is doing good work.

Mr. SUTHERLAND: How many illustration farms are there in Ontario?

Mr. HAZEN: There are none in Ontario. These farms were only established in 1915, and at present are only in Saskatchewan, Alberta and Quebec. In Quebec the farms consist of 25 acres, and I presume that will be the size of any such farms that are established in Ontario.

Mr. SUTHERLAND: Has any provision been made to establish any in Ontario this year?

Mr. HAZEN: If it is thought desirable to establish them in Ontario this year it could be done out of this vote.

Mr. HANNA: What about the illustration farms established by the Conservation Commission? I understand that the Dominion Government is going to take them over.

Mr. HAZEN: I understand they are all out of commission except the one at Kamloops, B.C. The agreement was that the Conservation Commission should run the farms for two years, and the Agricultural Department for the third and last year.

Mr. HANNA: I think the one at Perth is in its fourth year.

Mr. HAZEN: Third year, I think.

Mr. DEVLIN: As there are nine illustration farms in the constituency of Moosejaw, I think I am entitled now to claim one for my constituency. If these farms are any good at all, I do not see why there should not be one in my constituency. Nine certainly seems too many for one constituency.

Mr. HAZEN: The constituency of Moosejaw is a tremendous one in size.

Mr. DEVLIN: So is mine.

Mr. HAZEN: Apart from that, it is one of the sections that was badly hit by the drought. The Agricultural Department felt that these farms should be established in that district to illustrate the proper methods of cultivating the soil with a view to minimizing to a great extent the results of any drought that the district might experience in the future.

Mr. DEVLIN: In the constituency I represent a large section was badly hit by fire, and has not been able to be made use of since. I did suggest some time ago that it would be a good place for a military camp, but now that illustration farms are on the tapis I think one might very well be established in my constituency. I am referring particularly to the township of Aylmer.

Mr. HAZEN: The hon. member for Moosejaw might lend my hon. friend a farm.

Mr. TURRIFF: I am afraid the minister's explanation as to the large number of farms in the constituency of Moosejaw is hardly satisfactory. I do not think that was the reason at all. The minister is evidently of the impression that the constituency of Moosejaw was the only part of Saskatchewan that suffered from the drought. I may tell him that last year it was not only the southern part of the constituency of Moosejaw that suffered from the drought, but many other parts of Saskatchewan. I think my hon. friend will have to hunt up a little better reason than he has given to the House, and one that is closer to the facts of the case.

Mr. HAZEN: My hon. friend from Assiniboia has a very suspicious mind. I can only give the reason that was given to me by the officials of the Agricultural Department. The director, who is here, tells me that he spent several weeks in the southern part of Alberta and the southern part of Saskatchewan for the express purpose of ascertaining the most necessary places in which to establish these farms. Without any ulterior object whatever, he came back and reported to the minister in favour of the locations where the farms were subsequently established.

Mr. KNOWLES: If these farms are any good, I do not care whether they help the Government politically or not. I know that when this man from the Agriculture Department was in Moosejaw arranging about the location of these farms, the Conservative press of the town announced that he was in consultation with Mr. Ratheell, the man who has the patronage there, and that it was through his influence and instrumentality that such and such a farm would be established at such and such a place. The kudos goes to this party of empire-

savers, flag-wavers, closers of the wheat market, and other things of that kind. To say that it is the officials who determine all this is a very plausible statement for the minister to make—no doubt an honest statement, since he is only the acting minister. But the fact that he is only the acting minister does not make any difference in the facts as they stand. I am not saying all this in the way of objecting to the establishing of these little illustration farms in Moosejaw. They can put one on every corner—they can put four on every corner—before I will raise any objection. But we might as well know that they are being run, so far as the public know anything about it, not by the officials of the Government, but by the Conservative patronage-handlers.

Mr. HAZEN: Governments always claim credit for the good things they do.

Mr. KNOWLES: Let the credit go to whom it is due, and not say that these illustration plots are placed by the officials of the department.

Mr. McCOIG: It hardly seems to me fair that Ontario is not to have one of these illustration plots at all. Moosejaw, as I understand the hon. member, is going to have nine.

Mr. DEVLIN: He has nine already, and is going to get more.

Mr. McCOIG: And yet the whole province of Ontario, which will contribute to the maintenance of these plots, is to be left without any of them. I am a little surprised, when there are so many supporters of the Government from the province of Ontario, that they do not put up a fight for some of these illustration plots for our province. While we talk about the drought in Saskatchewan and the fire in Quebec, in 1914 the crops in Ontario, particularly in barley and oat crops, were practically wiped out by the army-worm, causing a loss to our farmers
5 p.m. of thousands upon thousands of dollars; yet I have never heard of any experiment made, or advice offered, or assistance given, to the farmers of Ontario to enable them to provide against a similar affliction in 1916. In all seriousness, I believe that something should be done to assist our farmers in case of another outbreak of the army-worm pest in the future. Either these illustration plots are good or they are not good. If they are good, they should be distributed without regard to whether the localities support the Government or not. I believe that the members from Ontario should join in urging the Government to do something to assist our farmers, for fear we should be again afflicted with the pest that wiped out our crops before.

Mr. BURNHAM: Let me say, as a farmer from Ontario, or rather as a representative of farmers, that we are not at all jealous because the West is receiving this assistance. We recognize that the Middle West needs more assistance than any other part of Canada. It seems to be unable to develop in the ordinary way; and, since we are bound by Confederation or some other obligation to help them out by lending them money and one thing or another, let us do it without grudging. Do not make it out a sin that we are doing the thing handsomely; do not make it a cause of jealousy; do not throw the apple of discord into the province of Ontario. We are an innocent-minded people, and we are working hard and successfully. No doubt some day a scheme for taking the people from the West and putting them on decent farms in Ontario will be matured. But, until they are able to settle down and farm in the usual way, instead of trying to help themselves by their big puffs in the newspapers as having the most wonderful area in the world, let us proceed in a pleasant way and without casting insinuations that the province of Ontario is being neglected. We do not require treatment of this description. Not being bottle-fed people, we do not suffer from drought.

Mr. TURRIFF: I want to tell the hon. member for West Peterborough (Mr. Burnham) and others, that we in the West pay our share of the public expenses just as well as the county of Peterborough. We do not take a back seat to any other part of Canada; we pay more than our share of the revenue of this country. I venture the assertion that if inquiry were made it would be found that these illustration plots were not asked for. Why were they established in those places? Not for the purpose of demonstrating anything at all, but for the purpose of carrying the elections. They were established when it was supposed that an election was coming on. They are not experimental plots at all; they are political plots, and nothing else.

An hon. MEMBER: Another extravagant statement.

Mr. COPP: I have been looking over the Auditor General's Report of last year, volume 1, page A—24, with respect to the Experimental Farm at Fredericton. I have some knowledge of the objects and work of the Central Experimental Farm, and of the advantage that should accrue to the farmers of Canada as a whole from the work that is carried on there. The experimental branch station at Nappan is but a short distance from my own town. The name "experimental farm" would seem to indicate that it aims to be of assistance to the farmers in the locality in which it is situated. I have had the pleasure of visiting the Nappan and Fredericton farms on a number of occasions. They are splendid places in which to hold picnics and things of that kind, and the farmers do use them for such purposes; they are splendidly located and pleasing to the eye. But what I should like to ask the minister is this: what particular benefit or advantage are these experimental farms intended to give to the farmers of the different localities in which they are situated?

Mr. HAZEN: I think it is a little late in the day to question the advantage of having farms of this kind.

Mr. COPP: I am not questioning that; I simply ask for information.

Mr. HAZEN: The advantage of experimental farms has appealed to governments of Canada for many years past. The Central Experimental farm was established in Ottawa a good many years ago, when, I think, Sir John Carling was Minister of Agriculture. The results of the operations of that farm proved so satisfactory that demands came from the farmers throughout the country—

Mr. COPP: I think the hon. gentleman misunderstands me. I am not questioning the advisability of having these farms; I am asking the minister to tell me if the farmers in these localities can go to the farms and get any advantage from them.

Mr. HAZEN: The establishment of the Central Experimental Farm proved so popular throughout the country that a demand came from farmers in other parts of Canada for the establishment of farms in the different provinces. It was inconvenient for the farmers to travel to Ottawa from many different parts of the country; in addition to that, considering the great diversity of our soil and climate, the Central farm could not carry out all the experiments that would demonstrate what was the best for all parts of the country. The Central Experimental Farm, of course, carries out experiments of all sorts in connection with the growing of crops, the production of stock, the cultivation of tobacco, the rotation of crops, the testing of seeds. Experiments are carried out with a view to determining what varieties of grass or vegetables will do best in certain sections of the country. The Central farm is open to the farmers of the country at all times; the correspondence which it carries on with farmers from one end of Canada to the other is, I believe, of enormous dimensions. The experimental farms in the different provinces work along similar lines, though not on so large a scale. They are branches of the Central Farm. They make all kinds of experiments to determine what crops should be grown and how those crops can be best grown in the particular locality in which the farm is situated. Their work has more regard to special localities than the Central Experimental Farm, which deals more generally with questions affecting the whole of the country. It is open to any farmer to go to the branch farm and get from it any advantage that he can by observing its operations and obtaining such information as may be given by those who are carrying out the experiments. Bulletins are from time to time issued from the Central Farm, with reports from the branch farms, giving the results of these observations and experiments. These bulletins are circulated very generally among the farmers of the country, and many farmers who have never visited the farms get much advantage from their existence by reason of the vast amount of information that is disseminated. There are, I think, two of these farms in Nova Scotia, one at Kentville, which, I suppose, would turn its attention largely to the question of the production of fruit, and another at Nappan, which has been established a good many years. The latter farm is not far from my hon. friend's home in Sackville. An experimental farm has lately been established in New Brunswick, at Fredericton. Previous to the establishment of that farm there had been no experimental farm in the province, and the farmers' and dairymen's associations in that province urged for a long time that New Brunswick should have one of these farms, as they considered that very considerable benefit would result from its

operation. Some of these farmers and dairymen had business at the Central Experimental Farm; others were in the habit of going to the midwinter fair at Amherst, and of visiting the farm at Nappan. It was strongly urged upon the Government that an experimental farm should be established in the central part of New Brunswick, and, accordingly, a farm was established at Fredericton.

The last publication issued from the Central Farm had a circulation of 390,000. These publications are being sent to farmers throughout the country who ask for them. Bulletins are issued setting out the results of experiments in connection with tobacco culture, the growing of winter wheat, poultry production, forestry questions, and many other matters of deep interest to the farmers. I am sure that if my hon. friend, who lives not very far from Nappan, should visit the farm there and see the work that is being carried on, he would be pleased indeed, and would come to the conclusion that the farm is a useful institution and is doing good work for the people.

Mr. COPP: I have had the extreme pleasure of being there many times, and I was very much pleased with the appearance of the farm. But this is what was in my mind. I live in a community of farmers. The farm at Nappan is a very pleasant place at which to spend an afternoon, but the complaint that the farmers in that district make is that they get no benefit from that farm. That is what I was directing the attention of the minister to; I do not at all object to experimental farms if they are properly conducted. I understand that a very large number of reports are being sent from the Central Experimental Farm all over Canada, and these are doubtless of very great advantage to the farmers. I wish to know whether reports are being sent out from these branch experimental farms and whether the farmers in these localities are receiving a benefit at all commensurate with the cost of conducting them. I have been rather surprised at the expenditures connected with the branch experimental farms, and the very small revenues derived from their operation. For instance, at Nappan the cost of operating the farm for the last year was $21,161.38. They sold some live stock for $3,000 odd, and I think they derived $2,000 of revenue from the products of the farm, such as butter, honey, eggs, poultry and a few pigs. From a large farm such as that I should think a very much larger revenue should be derived from the sale of products, unless the products are being distributed among the farmers in the way of seeds, etc., to assist them in carrying on their farming operations. Then, take the farm in Fredericton. I am not here to criticise it nor to argue that there should not be a farm in New Brunswick. If these farms are of any benefit I think that our province is entitled to its fair share. But I find that the expense of operating the farm for the last year amounted to over $50,000. The wages alone paid on the farm for the year were $20,099. Looking at the revenue side, I find that $2,173.74 was the net amount received from the products of the farm, which were sold in the vicinity of Fredericton. There may be a reasonable explanation of that; but, not being a practical farmer, I cannot understand it now. They have apparently been experimenting in the manufacture of butter, a little cheese, and products of that kind. I find that they have sold from that farm $1,209.98 worth of dairy products. Strange as it may seem to the members of the House, a dairymaid was paid during that year $612.90 to manufacture $1,209.98 worth of dairy products. Nearly one-half of the revenue was paid to the dairymaid. Then, in addition, the cows had to be kept; wages amounting to over $20,000 were paid to the men to milk the cows; and the buildings had to be kept in order. I am not here to criticise this farm, but it seems that is a matter that should engage the attention of the Department of Agriculture. They should ascertain whether or not the money is being properly expended. As has been said in this House very often, as was recently said so emphatically by the Minister of Finance, the agricultural industry is the basis of production and wealth of our country. That is true. But I think great care should be taken in regard to our public expenditure for the encouragement of agriculture. We must see that it is made so as to be of the greatest benefit to the agriculturists in this country. I should like to know if the department at Ottawa send inspectors to these branch farms to examine the accounts, to see whether they are properly kept, and to ascertain the explanations of some of these matters which strike one as being rather singular.

In looking over the accounts of the farm at Fredericton, I find that the names of the different men engaged as labourers

show a great similarity. There will be A. Deacon, B. Deacon, C. Deacon and G. Deacon, and then A. Gillies, B. Gillies, C. Gillies and some other Gillies. I do not want to throw out the least shadow of suspicion, but this would appeal to me as being a matter which might well be inquired into by an officer of the department. I have brought this matter to the attention of the acting Minister of Agriculture, and I trust that he will see to it that, even if other matters are extravagantly carried on, the expenditures for the promotion of the great agricultural industry will be made with some degree of care, some degree of supervision, and some degree of economy. I hope the minister will be able to give me a definite assurance on this point.

Mr. HAZEN: Every account in connection with any of these branch farms comes, in the first instance, to the office of the director of the Experimental Farms at Ottawa. There it is examined, and it is then passed on by the director to the Department of Agriculture, where it is criticised and passed upon by the Accountants' Branch. Every care is taken to see that the moneys are properly accounted for. The criticism which my hon. friend has indulged in this afternoon is practically the same sort of criticism that has been indulged in by every Opposition in this House for 20 years past.

Mr. COPP: I was not here.

Mr. HAZEN: It strikes one in Opposition at first glance as very extraordinary that the expense should be so much greater than the revenue. But when you come to consider the matter there is nothing very extraordinary about it. The farms are not run for commercial advantage, but as experimental farms; and a great deal of the work carried on is of an experimental character, and so does not bring five cents into the exchequer of the farms. The farms are not intended to pay directly; they are for the diffusion among the farmers of knowledge and information of an up-to-date, scientific and practical character. As to my hon. friend's criticism about the labourers at the different farms bearing the same names, I do not think there is anything extraordinary about that. Very often these farms are situated in districts where there are not a great many labouring men. There might be three or four in one family living in the neighbourhood, but I do not think there is any occasion for suspicion. If there was anything wrong, it would have been detected long ago, not only by the officers of the Experimental Farm, but by the officers of the Department of Agriculture. I am satisfied that these farms are well run. Generous provision is and always has been made for them, no matter what Government has been in power, but I think they have been conducted in the public interest, and the good work they are doing is greatly appreciated by the farmers throughout the country who get in touch with them.

With reference to one of the questions raised by my hon. friend, I understand that the farmers in the neighbourhood of Nappan are given, on application to Ottawa, samples of grain and other seeds for the purpose of sowing on their farms. A great quantity of the produce that is raised goes to the farmers for the purpose of helping them with their operations. No charge is made for these samples, and of course nothing is credited to the Experimental Farms for them.

Mr. COPP: I thank the minister for the information he has given. I trust he does not think that I was making any criticism; my object was merely to obtain information. The point in which I am particularly interested was touched upon by the minister just as he sat down. The farmers in my locality do not know—at all events, they say they do not know—that they are entitled to receive those samples of grain from the different experimental farms. Where is the information published which would enable the farmers to apply to the management of the experimental farm for those samples?

Mr. HAZEN: The director tells me that a statement is published in nearly every paper in Canada informing the farmers that if they desire samples of this sort they should make application for them. In the district where my hon. friend lives, if a farmer wanted samples, say of potatoes, he would apply directly to the farm at Nappan; but, so far as the distribution of grain is concerned, that is directed from the Central farm here at Ottawa, because they have the organization necessary to carry it out. The grain grown on the Nappan farm and other farms is sent here and distributed in small quantities to any one who makes application for a sample. Of course, the farmers cannot get enough grain to sow a field with; they will get enough to experiment with, and to enable them to ascertain whether the variety they get gives better results than the variety they have been using.

Mr. COPP: Is that information published at a certain time of the year?

Mr. HAZEN: In the fall of the year, after the crop is harvested.

Mr. COPP: Might suggest that it would be an advantage to have a bulletin, copies of which could be distributed among the members, particularly those representing farming localities, so that they could send them out to the farmers in their constituencies? I think it would be very useful, because I can assure the minister that the farmers in my locality are not aware that they can get those samples, and it is the up to date farmers who complain to me that the experimental farms, which are supposed to be carried on for their benefit, are of no advantage to them. Personally, I believe that these farms are of advantage, if properly conducted and the farmers have the opportunity of getting into touch with the managers and obtaining information from them.

Mr. SUTHERLAND: With regard to the remarks of the hon. member for Westmorland (Mr. Copp), I can only say that the farmers in his constituency must live under different conditions from those of almost any other farmers in Canada, because I do not know of any reports which have a wider publicity than those of the experimental farms. You will find them in almost every library in the country. There are publications issued by the Government containing the fullest information with regard to the workings of these farms. The discussion here this afternoon has been rather interesting in that the criticism apparently comes mostly from those members who live in the provinces where these farms are situated. It seems impossible to satisfy every one. I think it was the hon. member for Assiniboia (Mr. Turriff) who, a few moments ago, made the statement that these farms were being established for political purposes. I would not like to say that. I have always felt that no money expended by the Government was giving better results than that expended for experimental purposes. I think it was in 1886 that the Dominion Experimental Farm was established here in Ottawa. The late Sir John Carling was then Minister of Agriculture. Some years previously, the Ontario Agricultural College farm had been located at Guelph. I desire to say this, that the publicity given to the reports of these farms is possibly doing greater injustice to the province of Ontario than people generally realize. I quite understand the necessity of establishing local stations throughout the western provinces, which contain such wonderful agricultural possibilities, but to my mind great injury is being done to Ontario by the publicity that is given to the other provinces, not only in this country, but in almost every country from which we endeavour to get immigrants. Naturally the people of these countries come to Canada with the view of engaging in agriculture, and they get from the immigration offices the publications of the Department of Agriculture. I have here a report which has just been published in connection with the Experimental Farms in Canada, containing 574 pages, and other publications are being issued continually. This one contains a great deal of information, but, looking over the list of contents, I find that the only reference as regards Ontario, is to the Central Experimental Farm here at Ottawa, which in no sense represents the agricultural conditions throughout the province. There are a large number of farms and substations, and there are reports about these in this document. Not only that, but the Department of Trade and Commerce issues a weekly bulletin containing reports received from these various farms, and copies of that bulletin are distributed broadcast. What I complain of chiefly is that the people who contemplate coming to this country and who receive these publications are apt to form a very erroneous idea as to the possibilities of the province of Ontario. If the people lived here and knew the conditions, it would not be such a serious matter. In Ontario we have an immense area of land still undeveloped, and for that reason, if for no other, more attention should be paid to the province. I would like to ask the minister a question with regard to a certain tract of land, which has an unpronouncable Indian name, on the Grand Trunk Pacific railway, in the clay belt of Northern Ontario. I believe that the aliens, belonging to the countries with which we are at war, are interned there, and that a large area is being cleared, or has been cleared. I would like to know whether the Government propose to establish an experimental farm at this place. It could certainly be done very cheaply. I do not know but that it would be better to have one farther north than that, but it would serve the newer districts of Ontario in an admirable way. It is a splendid way to employ these people while the war is going on.

But I want to emphasize the injustice that is being done to the province of Ontario every day of the year through publications being found in the libraries of almost every country in the world which omit to mention the agricultural achievements and possibilities of that province. Agents in Denmark and other European countries, from which we would like to promote immigration, will consult this literature in which Ontario is altogether overlooked. To such an extent is this the case that the province of Ontario is doing work, and has been doing it for years, that the other provinces are having the Dominion Government do for them. I refer particularly to work in connection with the bringing of immigrants into this country. We find that they have had to go as far as to send agents to the continent as well as to the British Islands. An office has been opened in London. At the present time nothing is being done in the old land, but we find agents of the Ontario Government in the United States endeavouring to get help for the farmers of our province. I do not say that the farmers of Ontario are not as loyal and patriotic as those of any other part of Canada, because, as a matter of fact, there is no distinction between any of the provinces in that regard. But the crying need of keeping up production in the province of Ontario is handicapped more than in any other province under the conditions prevailing at the present time. I believe that the first duty of every citizen of this country is to see that this war is brought to a successful conclusion and as soon as possible, and I would not ask or encourage any farmer or any farmer's son to remain here if he was able to bear arms and go to the front. During this year you are going to notice a remarkable falling off in the province of Ontario, as also I believe, in the other provinces. When this war is over we are going to be confronted with a condition of affairs which will require the best energy and genius of our people in order to remedy the injury that will have been done by the war. For that reason, if for no other, these stations should be established in Ontario so that we would be getting our due share of publicity in the reports that are sent out by the Government of Canada, and which are consulted with reference to the agricultural possibilities of the various provinces.

I do not want any one to think that I am taking up time unnecessarily. I feel, and I have felt, that there is no item in these Estimates which is of greater importance than the one now under consideration. I quite agree with some of the remarks that were made by some hon. gentlemen who were criticising the stations that are located in their various constituencies and localities where they have been enabled to observe their operation, and who possibly feel that a better work might be done. Unless you have a practical demonstration and can convince the farmers in these localities that the work that is being carried on is practical you are not going to do any good. If it is a mere theory that you are endeavouring to carry out you might be better without the stations. It is quite noticeable that when you find a first-class, up-to-date farmer, who is making a success of his business, and whose farm is in splendid condition, you very soon find those around him adopting the methods that he is pursuing, and in that way the whole community is benefited. Possibly that is the object that the promoters of these farms have in view; whether they are succeeding or not is another question, because they do not come under our observation in Ontario The province of Ontario is itself doing a great deal in this regard; but its work does not come under the notice of the public through the literature that is being published by the Federal Government, and to my mind the greatest possible injury is being done to Ontario in that regard. I would like to know whether there is any possibility of another of these farms being established this year, and I would ask particularly in regard to one in the clay belt of Northern Ontario. The Ontario Government has established, I believe, two farms in Northern Ontario, but their reports do not appear in the publications issued by this Government.

Mr. HAZEN: In reply to my hon. friend from South Oxford (Mr. Sutherland), I may say that a farm is being established at a place called—I do not wonder that he could not pronounce the name—Kapuskasing, in the clay belt of the province of Ontario, seventy miles west of Cochrane.

Mr. MARCIL: Is that on the line of railway?

Mr. HAZEN: Yes, on the line of the Transcontinental. Work is progressing towards a conclusion, and it is being done by interned aliens—Germans and Austrians. They have been at work there cutting down timber and clearing up, and it is expected to have 100 acres under crop

next year. Another farm is being established at Spirit Lake, Quebec, which is 140 miles east of Cochrane. There is also established there a camp of interned aliens who are doing a very useful work which I trust will be very much to the advantage of both the provinces of Ontario and Quebec. I think it very desirable that experimental farms should be established in that new country. I shall be very glad to convey to the Minister of Agriculture the remarks made by my hon. friend from South Oxford (Mr. Sutherland) regarding the circulation of literature and other matters affecting the province of Ontario. I am sure that the minister, who is now laid up, will read his speech with a great deal of care and will give such attention and consideration to his suggestions as it is possible for him to do.

Mr. BUCHANAN: Since there is an experimental farm in my district, practically in my own city, I would like to make a few observations, not in the nature of criticism, but merely for the purpose of suggesting an experiment that I think could be carried along successfully at that farm. In fact, the experiment to which I refer has been undertaken there, and it has met with a considerable degree of success. I refer to fruit-raising. It may be a surprise to some hon. members of this House to know that in many parts of the irrigated districts of southern Alberta during last year there were remarkable crops of first-class apples. At the farm at Lethbridge the trees that were in bearing yielded plentifully and the quality of the apples was good, fully as good as many of the apples grown in Ontario. I think that this experimental work should be carried on further and that some person should be placed at that particular farm who is acquainted with fruit-growing. The reason I mention that station particularly is this: At a place called Magrath, 20 or 25 miles south of Lethbridge, a man who came from Utah brought with him some seedlings and planted them on his farm. At the present time that man has over 100 apple trees bearing fruit. I was in his orchard last year, and it was a great sight.

Mr. BURNHAM: What is the name of the fruit?

Mr. BUCHANAN: I do not know the name of the fruit; the man himself does not know the name.

Mr. BURNHAM: I cannot find out from the department the name of any seedling fruit.

Mr. BUCHANAN: This man does not know the names of the varieties of apples he is rasing on his place. Last year he got me to help him, and I sent a great many samples to the experimental farm at Lethbridge. They knew the names of some of the samples but not all. This is not an isolated case. There are many farmers in that district growing small fruits, and with a great deal of success, and a ready market is found for the fruit at Lethbridge. I believe that that irrigated district could grow sufficient fruit to supply the needs of Lethbridge and the surrounding country. I would urge the department to appoint some one to the Lethbridge experimental farm to assist the farmers who are making experiments along this line. There is all the more need to encourage fruit raising in the Prairie Provinces because of the new duty that has been imposed on apples, which will have the effect of increasing the cost to the consumers on the prairies.

There is another point I should like to mention. If the farmers are to get full benefit from the experimental farms, they must visit them regularly, and find out the results of the experiments that are being made. Last year excursions were run to the Lethbridge farm, and a great many farmers from all over the southern part of Alberta took advantage of them. But they stayed at the farm only a few hours, and, though impressed with the experiments, they had not time to profit by them. It struck me at the time that it would be very advantageous if some plan were arranged so that the farmers could spend two or three weeks at the farm, and investigate the experiments that were being conducted. Perhaps arrangements could be made to give the farmers their board as cheaply as possible, so that they could stay on the ground all day long for several weeks. A building or some other accommodation could be provided. This, I think, would be of real benefit to the farmers, and they would be able to take advantage of this opportunity, because in the summer of the year they might take a week or more to visit the Experimental Farm.

Mr. BURNHAM: If the apple industry in the district of my hon. friend develops, will he give the credit to the new duty on apples?

Mr. BUCHANAN: No. I believe that those who grow apples in my country want open markets everywhere. They are not afraid of the apple-grower or the grain-grower of Ontario. I may say to the hon. member for Peterborough (Mr. Burnham), who has broken into this debate two or three times, that if it were not for Western Canada the town he comes from would not have the population it has to-day: the development of Peterborough has been due to the development of western Canada. There has been criticism of Western members speaking for their own part of the country; but we speak for the West because we believe its development is necessary not only to Ontario, but to the whole Dominion. I have made these two suggestions to the acting-minister because I believe that if carried out they would be of great benefit to the people affected. I think the fruit-growing industry can be developed to a certain extent, but I would not for a moment say that it could be made a profitable business for the farmer. I think, however, that in the irrigated district there is some prospect ahead for profitable fruit-raising. The other suggestion I made was that the farmer should be encouraged to visit the experimental farms, so that they might get real benefit from the experiments that are being made. The investment in these experimental farms would then be really worth while. The experimental farm at Lethbridge has been of the greatest benefit to the southern part of the province; the experiments have been carried on with great advantage, and the conduct of the farm has been splendid. An experiment was made in wheat in one plot last year—I am not saying this to give the particular district any publicity—and the yield was in the neighbourhood of eighty bushels to the acre. I do not know what kind of wheat it was.

Mr. HAZEN: I think the suggestions of the hon. member are excellent and worthy of every consideration. I am told that at the Lethbridge experimental farm there are now several hundred apple trees, that fifty of those trees are bearing, and that about twenty barrels of apples of very fair quality were gathered from them last year. In addition to that, a lot of small fruits, such as strawberries, etc., are grown at the farm. So my hon. friend will see that some considerable attention is being given to the matter to which he refers. The department is establishing a fruit station at Morden, in the province of Manitoba, and the officials hope to spread the raising of fruit out through the West. They expect the farmers to go in for growing apples and fruit to a much greater extent than at present. I can assure my hon. friend that his suggestion that a fruit department be established in connection with the experimental farms will receive every consideration at the hands of the department.

Mr. BUCHANAN: The name of the man who owns this big orchard at Magrath is Walter Ackroyd. He has four or five acres in fruit trees. He really needs some assistance, because he does not know the varieties of fruit that he is raising. I do not think he is cultivating the land properly, for he is not familiar with fruit raising.

Mr. SCHAFFNER: Has he grown any apples, such as Northern Spies?

Mr. BUCHANAN: I could not say. I know his trees were heavily laden with fruit, and that he supplies the stores of Magrath. I do not think he sent any fruit out of the community. The samples he sent me were very good.

Mr. SCHAFFNER: I think the man who has had the greatest success in growing apples in the three Prairie Provinces is Stevenson. I think his crop averages about 200 barrels.

Mr. KAY: Are any reports published of the experiments conducted at the illustration farms?

Mr. HAZEN: These farms were only established in 1915, and no reports have been published yet.

Mr. KAY: Will they be published in the annual report of the Experimental Farms?

Mr. HAZEN: Next year, yes.

Mr. KAY: Will the hon. gentleman bring down some information to-night about the experimental farm at Lennoxville?

Mr. HAZEN: I might give the hon. gentleman information about it now if he would indicate the line.

Mr. KAY: Are they keeping a dairy herd there? Are they keeping beef cattle? What kind of horses are they keeping? Generally, what are they doing?

Mr. HAZEN: It is a new farm and is not yet fully equipped. They have no dairy

herd yet, but it is the intention to have one. There are from 80 to 100 beef cattle at the present time, and also some Clydesdale horses, and also sheep and swine.

Mr. KAY: What breed of dairy cattle have they?

Mr. HAZEN: Ayrshires and Holsteins.

Mr. J. J. HUGHES: Has the minister explained why this item is larger than that of last year?

Mr. HAZEN: Yes, the hon. gentleman will find that in Hansard.

Mr. HUGHES: The statement made by the hon. minister in answer to the member for Westmorland (Mr. Copp) shows why the expenditure at the experimental farms is so much in excess of the revenue. But there is an opinion in the country, and I think it is growing, that the expenditure is too great in proportion to the revenue. Whether that opinion is well-founded or not is another question. But there is a growing opinion that economy is not practised, and, as has been said, while economy is good at any time it is particularly good at this time. The minister has stated that the reason why the expenditure at the Central Experimental Farm is so much higher than at the branch farms is that extensive experiments are carried on here and a large staff must be maintained. But that would not apply to the branch farms, nor would it justify their method of farming. The farm at Charlottetown, I presume, is as well managed as any other; but we find a condition of things there that is not considered good farming. I understand that the farm has to buy seed oats, seed potatoes, and also hay and fodder to keep the animals during the year. That would indicate a system of farming which, at the very least, requires some explanation. If an ordinary farmer were to run his place in that way, he would soon receive a visit from the sheriff. Such a thing is a poor object lesson in the community. There may be some reason for it, but, if so, it would be well for the minister to give the reason, because it is commented upon, and properly so.

An hon. MEMBER: Carried.

Mr. HUGHES: I had some further remarks to make.

Mr. HAZEN: There are plenty of items yet.

Mr. HUGHES: Might I, on some other item, make some remarks that apply to this particularly?

Mr. HAZEN: Yes.

Mr. HUGHES: Has the hon. minister no explanation to make of the method of farming to which I have referred?

Mr. HAZEN: I cannot give such information at the moment about the farm at Charlottetown.

Mr. HUGHES: But would not the department have some control? Is there not some body in the department who knows the condition of things?

Mr. HAZEN: The director informs me that their control is very complete. If they give things away, it would be for distribution among the farmers.

Mr. HUGHES: But they would not give away hay?

Mr. HAZEN: It may be a poor hay farm, or they may keep more stock than the farm will carry—keep them for experimental purposes.

Mr. HUGHES: That is not good farming.

Mr. HAZEN: Not from a commercial point of view, but these farms are not run on a commercial basis.

Mr. OLIVER: With regard to the farm at Lacombe, are experiments in apple culture, either standard or crab, being carried on there, and, if so, what success has been achieved?

Mr. HAZEN: Yes, experiments have been carried on, but not nearly so successfully as at Lethbridge. They have not produced any fruit at Lacombe yet. But there are hundreds of trees there, and the experiments will be continued.

Mr. OLIVER: Is the non-success in standard apples, or in crabs, or in both?

Mr. HAZEN: Up to the present time they have been more successful with crabs than with standard apples. They have produced some crabs.

Mr. OLIVER: But they are experimenting with standard apples yet?

Mr. HAZEN: Yes, with both.

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

The House resumed at eight o'clock.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READINGS.

The House in Committee on Private Bills, Mr. W. H. Bennett in the Chair.

Bill No. 22, to incorporate Edmonton and Southwestern Railway company.—Mr. Douglas—in committee.

On section 1—incorporation:

Mr. HAZEN: Will the promoter tell us what this is about?

Mr. DOUGLAS: The only explanation I can offer in connection with this Bill is that this is a legitimate enterprise, the purpose being to build a railway from Edmonto southwest to a point on the Saskatchewan river about seventy miles from the city. The Bill was passed unanimously by the Railway Committee.

Section agreed to, and Bill reported, read third time and passed.

The following Bills were considered in committee, reported, read the third time, and passed, without discussion:

Bill No. 36, respecting the Joliette and Lake Manuan Colonization Railway company.—Mr. Guilbault.

Bill No. 30, to incorporate Seaport Trusts company.—Mr. Stevens.

SECOND READINGS.

Bill No. 46, respecting the Algoma Central and Hudson Bay Railway company.—Mr. Boyce.

Bill No. 39, respecting the Governing Council of the Salvation Army in Canada, and to change the name thereof to the Governing Council of the Salvation Army, Canada East.—Mr. Blain.

Bill No. 40, to incorporate the Governing Council of the Salvation Army, Canada West.—Mr. Blain.

Bill No. 42, for the relief of Robert Napper.—Mr. Buchanan.

Bill No. 43, for the relief of Sherwood Norman Hill.—Mr. Douglas.

Bill No. 44, for the relief of Ida May Woltz.—Mr. Boys.

Bill No. 45, for the relief of Cecily Ethel Maude Farera.—Mr. Buchanan.

Bill No. 41, for the relief of Lena Pearl Potter.—Mr. Wallace.

SUPPLY.

The House in Committee of Supply, Mr. W. H. Bennett in the Chair.

[Mr. Hazen.]

Department of Agriculture—Branch of Entomology, $20,000.

Mr. CARVELL: Before the minister explains this item, I wish to give the information which I was unable to lay my hand on this morning in reference to the amounts expended for explosives on the experimental farm at Fredericton. I now find on page A-24 of the Auditor General's Report that $851.03 was paid to the Canadian Explosives of Halifax, the order including 2½ tons of stumping powder and 12,000 feet of fuse. They must have run fuse all around the place; they must have had a regular carnival of stump-blowing. This firm also supplied 8,000 detonators. That is some experimental farm, I tell you, when it takes that number of detonators.

Mr. BRADBURY: That is forcing things.

Mr. CARVELL: That certainly is forcing things. On page A-25 the minister will find a further payment to J. S. Neil & Sons, Fredericton, of $383, making a total of about $1,232 for explosives alone in clearing land at this experimental farm.

Mr. OLIVER: Are bees kept at the Lacombe experimental farm?

Mr. HAZEN: Yes.

Mr. OLIVER: How long have they been kept there?

Mr. HAZEN: For about one year.

Mr. OLIVER: I did not know that they were kept, and I desired to suggest that they should be added to the establishment, for this reason, that, while bees have been kept in Northern Alberta ever since 1888, the winter conditions there are so different from what they are in most countries where bees are kept that there are difficulties in successfully wintering them. For that reason very few private owners have taken up the industry. Some have, and some have been measurably successful. But, owing to the dangers of wintering, bee-keeping has been a matter of great uncertainty, which has prevented the extension of this industry. Flowers in summer are remarkably abundant in that country and there is a vast natural crop of honey. It is a pity not to utilize it. In addition to the native wild-flowers which are so remarkably abundant, the small white clover, which we sometimes call Dutch clover, has become very plentiful. It has a very short stem and grows in bunches. It only grows long enough for pasture. It is not indigenous, but it has become acclimatized, and it has spread to a marvellous de-

gree. This white clover is a tremendous producer of honey of the very highest quality; therefore, I think that the department would be well advised to take up the question of bee culture at the Lacombe farm with a view of demonstrating the best means of keeping the bees safely throughout the winter. That is the great question, practically the only question, which has to be solved. It can be solved to better advantage by the skill, science and capital available to the Government on its farm than it could be by a private enterprise. Once that question is satisfactorily solved we may look for an enormous production of honey in that northern country, partly because of the wild-flowers, and partly because of the spread of the white clover.

Mr. HUGHES: Before six o'clock, the minister stated that we might return to the item of Experimental Farms. I think the impression is growing in the country that the Experimental Farms are costing a good deal of money, and the question naturally arises, whether some of that money could not be saved, whether greater economy could not be practised, whether there is a close and proper supervision of the expenditures, whether it is not the duty of some official of the Government to watch them, to examine and criticise them. We know well enough—it is human nature—that where a great number of men are employed in connection with a Government work, they are not always so careful as they should be in their expenditures. I notice quite a difference in the prices paid for articles in one province. I have been looking over the accounts, and I find, for instance, that for the Kentville farm, 215 bushels of oats were purchased from Cross and De Wolfe at 50 cents per bushel, while for the farm at Nappan, in the same province, 1,000 bushels of oats were purchased at 59 cents.

Mr. HAZEN: Were they purchased during the same season of the year?

Mr. HUGHES: There might be something in that, but what I want to know is whether the officers on the different farms are allowed to make purchases without regard to price. There is a large amount of money expended, and while we must assume that the department does its best to supervise these expenditures, I think criticism of this kind is useful. After all, it is our money, and we want to see that we get full value.

Mr. HAZEN: The hon. gentleman's criticism is perfectly fair criticism; every effort ought to be made to see that value is received for the expenditures. It is the duty of Mr. Grisdale, the Director of Experimental Farms, to visit every experimental farm at least twice a year, and he does so; some of them he visits more frequently. In addition, all the bills incurred at the different farms come here to Ottawa, are examined by the staff at the Experimental Farm, and are then sent to the Agricultural Department, where they are examined by the Accountant's Branch. I have no doubt that the Auditor General also pays some attention to them. Apparently, therefore, every care is taken to guard against improper prices being paid.

Mr. HUGHES: It appears to me to be a poor system of farming which necessitates the purchase of fodder, cereals, and vegetables in such large quantities.

Mr. HAZEN: It would be farming of a worse kind if the farms were run for commercial purposes.

Mr. HUGHES: There is no doubt that the experimental farms are doing useful work, but whether it is work most advantageous to the farmers I do not know. I know that the farm at Charlottetown, P.E.I., is one of the best farms.

Mr. HAZEN: It is a small farm.

Mr. HUGHES: Yes, but it is as large as the ordinary farm—sufficiently large, at any rate, to do good work. Under ordinary conditions, if a man cannot make a farm like that pay, there is surely something wrong in the management. There may be exceptional conditions on these experimental farms. Some years ago, a gentleman named William Rennie, I think, came to our province to lecture on farming. I happened to be present at his meeting, and one of the first remarks he made was that he had gone on a farm belonging to the Ontario Government, an ordinary farm with ordinary conditions, and had made it pay. As soon as he made that remark every farmer in the audience became interested. They wanted to know how he made it pay, and he went on to tell the story. Now, if we could do things like that, I believe it would do more good to the farming community than running farms at an enormous loss. I am not saying that these farms are not doing useful work, but somehow or other the farmers in my province have the idea that it is easy to farm when the Dominion Government is paying the bills. They would like to know how to make an ordinary farm pay.

Mr. HAZEN: My hon. friend must remember that an experimental farm is an entirely different proposition from a farm run as a commercial undertaking. I do not suppose that any experimental farm, where experiments and investigations are carried on, could be made to pay, so far as dollars and cents are concerned, though it does pay in other directions. I fancy my hon. friend has reference more particularly to the farm in Prince Edward Island. I am told that that is a small farm, only sixty acres in extent, on which stock experiments are being carried on. A considerable part of it is taken up with the growing of crops, cereals, and so on; but if you are carrying on stock operations on any scale at all, if you have not sufficient room in which to produce enough hay for the feed of the stock, you have to buy outside. Perhaps the same state of affairs exists on the island. I do not know what sort of a hay farm it is, but naturally, being an experimental farm, a great deal of the land will have to be taken up for the growth of other things, and there will not be a great deal left for hay.

For the administration and enforcement of the Destructive Insect and Pest Act, $75,000.

Mr. HUGHES: Before dinner the hon. member for Rimouski (Mr. Boulay) stated that there were not as many officers sent to inquire into the potato disease in Quebec as there were in New Brunswick. The minister made the reasonable explanation that there was not as much disease in Quebec as there was in New Brunswick. We are very much interested in that matter in Prince Edward Island. I understood that the department was trying to have the embargo removed from Canadian potatoes entering the United States, and that they were taking steps to convince the authorities of the United States that whatever disease there was in our potatoes was not of a serious character. I would like to know what has been done, and what prospects there are of having that embargo removed.

Mr. HAZEN: The embargo has been removed.

Mr. HUGHES: No.

Mr. HAZEN: There is no inspection of our potatoes going into the United States.

Mr. HUGHES: There must be something wrong about that.

Mr. HAZEN: Our potatoes are admitted to the United States without any Canadian inspection at all.

Mr. CARVELL: While there may not be a Canadian inspection, there is a very severe American inspection, which only takes place at a few isolated points, probably at Boston and somewhere in New York state. The places of inspection are so far away that our growers or merchants dare not take the chance of selling to the United States buyers because their shipments might be rejected.

Mr. HAZEN: My information from the deputy minister and the Entomologist of the department is that it is a matter of mere form in the United States, and that it is not serious in any way.

Mr. CARVELL: That may be so at the present time, but it was not so a month ago.

Mr. HAZEN: My information is that the importer of potatoes in the United States gets a permit for taking them in, and that permit names the point at which they will be inspected. The assurance to the Department of Agriculture here from the Department of Agriculture in the United States is to the effect that the inspection will be of a very ordinary character, and that there will be no shutting out of our potatoes unless it is evident that they are affected with a serious disease. If they are only reasonably affected by disease they will be passed.

Mr. CARVELL: What ports will be available to Maritime Province shippers?

Mr. HAZEN: They will specify them in the permit.

Mr. CARVELL: As a matter of fact, what port do they specify?

Mr. HAZEN: They will consider the convenience of the importer. They do not restrict it to any special port, but they will name the port that suits the convenience of the man, one of their own citizens, who is importing the potatoes.

Mr. CARVELL: Then, as far as the Maritime Provinces are concerned, Boston would be the port of entry in nearly every case.

Mr. HAZEN: Yes.

Mr. CARVELL: Up to five or six weeks ago the conditions of these inspections were so severe that merchants in New Brunswick could hardly take the responsibility of sending potatoes down there because in many cases what they considered to be a perfectly good article would be condemned

when it got to Boston, and, after they had paid the freight and duty, they would have nothing left. In many cases they were called upon to make good a shortage.

Mr. HAZEN: There has not been much movement to the United States lately, because the price has been so high at home.

Mr. CARVELL: No, the price in Canada has been abnormally high and the crop has been very light. Yet the price in the United States is little better than it is in Canada.

Mr. HAZEN: It is now.

Mr. CARVELL: It has been during the whole season except on two occasions and for two or three days at a time. If the road were perfectly open, you could be assured that, if our farmers could get the benefit of the extra 10 per cent, they would do so. One reason why the farmer has not got the extra price is because the inspection has been so onerous that he dare not take the chance. I do not know that this Government could accomplish anything. I am only pointing the situation out to the minister, and I realize that he is not the minister of the department, and I therefore do not expect him to answer these questions readily. But, if something could be done by the department to get them to throw the door a little wider open so as to make it an ordinary commercial transaction, it would be a great benefit to the farmers of the Maritime Provinces.

Mr. HAZEN: The minister took this matter up personally. He went to Washington and saw Mr. Houston, the Agricultural Secretary, at Washington, and as a result the following regulations were promulgated:

Shipment of Potatoes to United States.

On and after the 1st January, 1916, potatoes may be shipped from Canada to the United States, subject to the following conditions:

(1) Potatoes offered for export to the United States must be free from injurious diseases and insect nests.

("Injurious diseases and insect pests" shall not apply to diseases common and widespread in both Canada and the United States, but in the case of even such common and widespread diseases the stock offered for shipment shall be reasonably free from infection with such diseases.)

(2) No shipment may be made until a permit has been issued to the United States importer as provided for in the United States regulations. Each shipment should therefore be designated on the accompanying papers by the number which will be furnished by the United States importer.

Inspection will be made by a United States inspector at the port of entry specified in the permit, and if the shipment be found to be diseased, entry may be refused.

(3) No inspection or certification will be required prior to shipment, but potato growers and shippers are advised that the continuation of such entry will depend on the offering for entry into the United States of potatoes free from dangerous diseases and insect pests.

All persons engaged in this trade should have their potatoes carefully "racked," and any diseased or scabby potatoes removed.

For further information, apply to the Dominion Botanist, Central Experimental Farm, Ottawa.

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In the view of the department the restrictions are not onerous in any way. The minister has done everything he possibly could, but if there is any more that can be done I am sure he will gladly do it.

Mr. CARVELL: These regulations may be all right from the point of view of the department. But they are not farmers; they only think they are farmers. They do not know the difficulty of tilling the soil and of trying to make the farm pay the bills. To the practical farmer, however, these regulations seem altogether impracticable. The potato business is handled in carload lots. A man in Boston may wire: "Can you ship me five or ten cars of potatoes to-morrow?" The merchant replies: "I can, or I cannot, at such and such a price." Now, if these potatoes were going from China to British Columbia it would be all right. In that case you would know exactly who was the owner, and who was the consignee, and just where the potatoes were to be inspected. There would be plenty of time. But in the case of this shipment of potatoes to Boston, one does not know at what point the potatoes will be stopped. They may be stopped at Portland, or go on to Boston, or be turned off to Lowell or some other place in the States. If the purchaser has to make all these arrangements before he can get a carload of potatoes, it will absolutely tie up the business. Why, the market may change ten cents a barrel in the meantime, and with a fluctuating market it is impossible to carry on business of this kind. These regulations may look all right on paper, but when applied to every-day business they improve conditions very little, if at all. Our potatoes go not only to Boston, but to all parts of the States. If we had them inspected at the nearest point it would be different. All potatoes from the Maritime Provinces have to go through

Vanceboro. If for some reason the inspector at Vanceboro should not pass the potatoes, they can be sent on to Montreal or Toronto; but, if you are going to have the potatoes inspected at Boston, you may lose the whole shipment if the inspector turns you down there, and they will do it without any reason whatever. The risks are so great that the ordinary merchant will not take chances.

Mr. HAZEN: My hon. friend lives in a district where the potato is a very important item of commerce, and, consequently has a more intimate acquaintance with the business than I have. But I am informed by the officers of the department that these regulations not only read all right, but work all right. In fact, since they were promulgated the department has not had a single complaint, and if there had been any complaints we should have heard of them from our inspectors, who are moving around the country.

Mr. HUGHES: When did these regulations go into effect?

Mr. HAZEN: On the 1st of January, 1916. I can understand that there might be a case in which it would be more convenient for a shipper to have his potatoes inspected at Vanceboro than at Boston, but that is a matter which rests with the Government of the United States, and they have evidently taken the view that they ought to be guided by the wishes of the men to whom they grant the permit to bring potatoes into the United States. I do not see that it would make very much difference to the man importing, whether the potatoes were inspected at Vanceboro or at Boston, except that Boston is a large potato centre, and that might make some difference. But, as I said before, we have not received a single complaint from any of the shippers in the whole country.

Mr. CARVELL: I am speaking from my own personal knowledge. I raise a few potatoes myself. On the 1st of January I had about two carloads of potatoes in the warehouse. I naturally wanted as good a price as I could get for them. I found that the Boston price was a little higher than the price in Montreal or Toronto. I was in touch with a commission merchant in Boston, a friend of mine, who would handle the shipment for me. I went to some merchants in Canada with whom I was well acquainted and they all advised me not to ship to Boston; they said they had tried it themselves, but the regulations were so onerous that it was too risky. The result was that I sold my two carloads in Canada. I got $3 a barrel for them.

Mr. HAZEN: More than you would have got in Boston.

Mr. CARVELL: I am not finding fault with the price. I think I got more than they were worth. But those were the facts in my own case.

Mr. HUGHES: The hon. member for Carleton (Mr. Carvell) has mentioned some difficulties in connection with shipping potatoes by land to the United States. But the man who ships by water has even greater difficulties. When shipping potatoes from Prince Edward Island we usually send them by schooner; whereas a carload takes about 600 bushels, a schooner takes about 6,000 bushels or more; and the larger the quantity of course the greater the risk. The embargo on potatoes has not made any difference in the last two years, because the price in the United States was low and our own price was just about the same level. However, in some year it might happen that there was a short crop in the United States and a big crop in Canada, and then the privilege of exporting potatoes to the United States would be of considerable advantage. If such a condition should arise, the time would be too short to make new regulations, and I think the regulations should be made in advance to provide for such a contingency. I presume that the Agricultural Department at Washington made these changes in view of representations that our potatoes had no disease. It would be a good thing if we could get that fact established and the embargo removed. The risk would then not be so great. Anybody in the shipping business will understand this at once.

Mr. HAZEN: The embargo is removed.

Mr. HUGHES: But the inspection is still there.

Mr. HAZEN: Of course, it is their own inspection and made for their own purposes.

Mr. HUGHES: If that could be removed and we could get back to the conditions that prevailed four or five years ago, it would be much better. Anybody in the shipping business will understand that no person could take the risk of sending a cargo of potatoes from Prince Edward Island, for instance, to Boston, with the possibility of having them turned down. Potatoes are a perishable article and the

cargo would prove a total loss if rejected by the inspector. We should be very little worse off if the embargo were still there. If an arrangement could be made under which the United States authorities would accept the certificate of some official in Canada or at the port of export, that would overcome the difficulty. If that cannot be done, of course it cannot be helped. But unless some such arrangement can be made, no shipper will take the chance of having a cargo of potatoes thrown back on his hands, and no business will be done.

Mr. CARVELL: I am not going to make any recriminations about the army of inspectors that travel around the country. These positions were a godsend to some of the smaller office-seekers. When one of the faithful got a little ugly, they could make him a potato inspector, and thus an easy way was afforded out of a good many political difficulties.

An hon. MEMBER: No responsibility.

Mr. CARVELL: No responsibility, and a good salary; and not only that but no requirement in the way of knowledge—anybody could be a potato inspector. The whole thing was a farce and made no difference whatever except that it cost the country a lot of money. I would like to know how many of these inspectors are still employed. There are two gentlemen at least living in New Brunswick, and holding these positions, and so far as we can see they receive the same salaries as last year and do nothing. We had them by the dozen last year. How many are there left, and what are their names?

Mr. HAZEN: The inspectors employed at present under the Destructive Insect and Pest Act are: J. R. Brownlee, P. R. Cowan, B.S.A., W. O. Johnston, George Partridge, Sydney G. Peppin, and R. Trepanier. These men were engaged during the summer conducting field inspection of potatoes and demonstrating simple control measures for potato diseases, which have caused considerable economic loss throughout the Maritime Provinces. On some 450 farms the removal of diseased hills of potatoes was inaugurated and carried on by the farmers under the supervision of the inspectors, with results that were satisfactory at harvest time. The quality of potatoes harvested by these farmers exceeded anything they had harvested before. In addition, potato spraying demonstrations were held at a large number of farms since it is found that late blight causes incalculable damage. From a careful examination, diseases were found to prevail causing losses as follows: Black leg, 7 per cent loss, 840,000 bushels; Rhizoctonia, 5 per cent loss, or 600,000 bushels; mosaic disease, 10 per cent loss, or 1,200,000 bushels; late blight, 25 per cent, or 3,000,000 bushels; total of 47 per cent, or 5,640,000 bushels. A general statement from Prince Edward Island shows that the losses due to late blight in 1915, when it was particularly severe, amounted to not less than 2,000,000 bushels of potatoes. Both these estimates entirely neglect the consequential loss resulting from diseases during storage, which, on the average, amount to 17 per cent of the tubers in storage. It will be evident that there was urgent need of a systematic educational campaign with a view to the eradication of these excessive losses. The inspectors, under the direction of Messers. Murphy and Cunningham, carried on spraying demonstrations in the farms in their several districts. The result was gratifying. The crop gave a return of 97 bushels an acre on the average over that of the unsprayed fields, while in one case 113 bushels an acre were harvested after being sprayed by inspectors over the crop from neighbouring unsprayed fields. Furthermore, the inspectors carried on experiments at four farms relating to the control of powdery scab. These plots had to be planted, manured, treated and sprayed up to harvest time, and to be harvested in order to collect the necessary data. Already these experiments have revealed that certain chemical substances had a decided beneficial influence on the control of this scab. The inspectors also assisted in the work commenced on the re-establishment of the Garnet Chile industry for the Bermuda market, a problem of much economic importance to Nova Scotia districts. These and other field experiments resulted in the production of a superior grade of potatoes. During winter the inspectors continued seed selections on the farms where experiments were carried on, as well as on those from which diseases were eliminated by demonstrating to the farmers. This preliminary work, essential for the securing of good seed strains, was found very necessary; and the result of this work will surely show up next harvest when potatoes of a quality, purity and freedom from diseases are available as never before. A study of 115 varieties of potatoes grown in New Brunswick was also commenced, and selections are being made of

varieties particularly resistant to certain diseases. The study of these varieties is now being continued under the direction of the Dominion botanist by Mr. Cowan, also an inspector. Up to date, the time for the inspector has not only been very fully and usefully occupied but additional work in other directions is proposed in the coming year which would make the retention of the six inspectors now employed very necessary. The work covers fully the provinces of Prince Edward Island, Nova Scotia, Quebec and New Brunswick. The work on the elimination of potato diseases, already begun, it is contemplated, will be continued next year in order to be prepared for the keeping open of foreign markets of consequence to the growers, particularly under the new agreement with the United States.

Mr. CARVELL: The minister's statement is another statement that looks nice on paper—but that is about all there is to it. The fact is, there has never been a poorer potato crop in the Maritime Provinces in seven or eight years than there was last year, notwithstanding that we had this army of inspectors. All this talk about powdery scab is sheer moonshine. The Government employed an entomologist at a large salary simply for the purpose of going down to New Brunswick and preventing the farmer from getting the price for his potatoes that he ought to get. I say the Government should be condemned for that, and the entomologist should be fired.

Mr. A. A. McLEAN: What does the hon. gentleman call this disease in the potatoes?

Mr. CARVELL: There is no disease.

Mr. McLEAN: What do you call this scab?

Mr. CARVELL: Scab, of course; that is what it has been called ever since you and I were born.

Mr. McLEAN: I suppose it is hereditary?

Mr. CARVELL: You will always find a few potatoes with scab upon them. As for powdery scab, that is all moonshine. The fact that it is all nonsense was the reason why the Unted States Government removed the embargo.

Mr. HAZEN: The result of these investigations caused the United States to do that.

[Mr. Hazen.]

Mr. CARVELL: These gentlemen went around the country a year ago and condemned the potatoes of a large proportion of the farmers in my county, because, as they said, they were full of powdery scab. But I can produce men—by the dozen I was going to say—who planted the very potatoes that these scientific gentlemen pronounced as being badly affected with powdery scab, and you never saw cleaner or better potatoes in your life than were grown from them. I can produce men right in my constituency who will make affidavit to that effect. This talk about powdery scab is just another means of finding places for political friends who want to earn their living without working. This question of spraying potatoes is better known among the farmers of New Brunswick than it is among the officers of this department. At no place on the American continent has potato growing reached as high a state of efficiency as it has along the St. John river in the province of New Brunswick and across the line in the state of Maine. I think it is the opinion of most farmers in the Maritime Provinces that spraying with the Bordeaux mixture is usually productive of good. They claim that it removes the fungus growth, or what is usually called rust. When I was home the last week in January I discussed this matter with a gentleman who told me that he had sprayed his potato plants six or seven times during the summer. The spraying is done with a machine costing over $100; as the machine goes along, the spray is automatically pumped under the leaves and stalks of the plant. He said that he sprayed the whole field of potatoes with the exception of half a dozen rows, and that when he came to dig them he had a better yield from the half-dozen rows than he had from the rest of the field, which he had sprayed. I want to be fair in this matter; I will give both sides of the case. A gentleman from Florenceville told me that he sprayed all but half a dozen rows, and that he got better results from the sprayed portion than from the portion which he had not sprayed; so you have evidence both ways. In my judgment the spraying does good. But the farmer knows that; he does not need any information on that subject from the inspectors or from the Department of Agriculture. Last year I did not spray the plants, and I got just as good a crop as my neighbours did; perhaps I will use the spray next year, because I think it might

do some good. It is an insult to the farmers of New Brunswick for these inspectors to go around the country and presume to teach the farmers how to raise potatoes. This entomologist held a meeting in my town, with the Commissioner of Agriculture in New Brunswick, and they preached that there was nothing in the world but powdery scab, and that it would have to be eradicated. They had some of the men so scared that they would not allow the inspectors on the premises for fear they would poison them over this question of powdery scab. This same entomologist had another meeting down there within the last three or four months, and they say that there is no powdery scab, and never was any. That is what the Secretary of Agriculture for New Brunswick says. There never was any powdery scab; the whole thing was a farce from the beginning. Let us get rid of these inspectors: the farmers do not want them; they are no good. Let the farmers go on in their own way; they know how to raise potatoes. Several thousand dollars will be saved, and there will be an advantage to the minister, because he will not have so many applications from office-seekers.

Mr. HAZEN: I have not been pressed by people seeking positions as inspectors. I do not think that any one ever came to me asking to be appointed to inspect the potatoes of New Brunswick. With regard to powdery scab, an embargo was placed upon Canadian potatoes going into the United States because it was claimed by the advisers of the Agricultural Department of the United States that powdery scab existed very largely in the province of New Brunswick. That impression has been removed, largely through the action of the Minister of Agriculture, who was able to fortify his position by the information that he received from the inspectors who investigated this matter. If we had not had a scientific man to investigate this subject and make report, I doubt very much whether the Department of Agriculture of the United States could have been persuaded to lift the embargo. They have not only removed the embargo, but have admitted that powdery scab did not exist to the extent that they believed it did, and that it was not sufficiently dangerous to justify the placing of an embargo. Our potatoes are now subject simply to inspection by somebody in the United States, whereas, when the embargo prevailed, arrangements were made by which the potatoes were inspected in Canada by Canadian inspectors. I do not see how the Agriculture Department or its inspectors were in any way responsible for the placing of this embargo upon our potatoes. The people in the United States may have been actuated by the best of good faith when they expressed the belief that this alleged disease was dangerous, but they have practically admitted their error since then.

Mr. HUGHES: When was it that representations were made to the United States that there was no disease in our potatoes?

Mr. HAZEN: Representations were made to them from the beginning. I think it was some time last fall, in November, that the Minister of Agriculture got this undertaking from Mr. Houston.

Mr. CARVELL: That, no doubt, is the explanation which has been given to my hon. friend the acting minister. This idea about powdery scab was got up not in Washington, but in the town of Caribou, in the state of Maine. When the potato growers and dealers of the county of Aroostook found that under the Wilson tariff potatoes were practically on the free list, a duty of only about 10 per cent being left on them, they said: "We have got to stop those Canadian potatoes from getting in here." And they started out. I know the man's name, I know the combination, the gentleman who started the proposition. They sent a lot of detectives down to New Brunswick, who claimed they found powdery scab. Then there was a big outcry and the matter was carried to Washington. Delegates from all over the United States went to Washington. I think the Deputy Minister of Agriculture was there. There were 500 delegates, all protesting against the importation of Canadian potatoes because of powdery scab. Then the Dominion entomologist went to Woodstock—it was more of a political meeting than anything else—and met the Secretary of Agriculture of New Brunswick. They decided that the country was full of powdery scab. They appointed their horde of inspectors, who went around the country up till last May, and stopped shipment after shipment of potatoes because they said they were affected with powdery scab. Every officer of this department and of the department in New Brunswick was protesting that this country was simply alive with powdery scab, and these inspectors were refusing the farmers the right to sell potatoes because of it. Then, when the United States Government became ashamed of the trans-

action, these same gentlemen came round and said there was no powdery scab. Now the minister says there is no powdery scab, and the Secretary of Agriculture for New Brunswick says there never was any powdery scab. It only shows the utter nonsense of the whole transaction. The thing has simply been worked—I do not know whether it was for political jobs or not, but it looks as if that was all there was to it. However, we have demonstrated that the powdery scab was only a farce to start with. The potatoes are all right, and if the minister will use his good offices with the Department of Agriculture of the United States I hope he can have these ridiculous regulations removed, so that the trade may go on, subject to the little duty imposed on potatoes entering the United States.

Mr. HAZEN: My hon. friend may be sure that the Minister of Agriculture will do all he can—he is intensely anxious to do all he can—to help the potato growers and all agriculturists.

Mr. J. J. HUGHES: The minister is not acquainted with all the facts, or at least he has not stated them to the committee, with regard to this potato business. When the Wilson Administration came into office in the United States, the duty on potatoes was reduced to 10 per cent, ad valorem, to all countries in the world. Under the reciprocity arrangement proposed between Canada and the United States, we would have had the privilege of exporting potatoes to that country, and no other country would have had that privilege. But in consequence of the Underwood tariff potatoes began to come in freely in the autumn of 1912 from Great Britain and Germany, and, as the officers of the Department of Agriculture well know there is a very dangerous disease in Europe known as canker. The United States authorities became alarmed lest, on account of these heavy importations from Europe, that disease might be introduced into their country, and a convention was called at Washington to take the whole matter into consideration. The department here sent to that convention an officer who stated that Canadian potatoes were diseased, and so he assisted the people of the United States in puting an embargo on potatoes. Since that was done and since it was brought to the attention of the department how serious a mistake they had made and how greatly they had injured this country by restricting the exportation of potatoes, they have been trying to have that embargo removed, and have been telling the people of the United States that we have practically no disease. Well, repentance is better than continuance in error.

Mr. CARVELL: In sin.

Mr. HUGHES: Or in sin. It is repentance. But we have been seriously injured by it, and it will be difficult to get the regulations removed. I quite agree with what has been said by the hon. member for Carleton (Mr. Carvell), that this whole thing was largely a farce, and that the disease existed only in the imagination of these inspectors, for some reason or other. The farmers down in my province have proved that beyond shadow of doubt. The inspectors either did not know their business or they had some object in view that we cannot understand. As a matter of fact, I know the farm to which two inspectors went in the autumn of 1912. That was the farm of a large grower of potatoes. They inspected his cellar, reported that his potatoes were diseased, and told him that under no condition must he use those potatoes for seed; that he must get clean seed or otherwise he would have no potatoes; that he would not only ruin himself but injure his neighbours He was a practical man and knew that there was nothing the matter with his potatoes—that they had no disease. They were the same that year as they had been for forty years. There was some scab but, as my hon. friend says, you will hardly get a field of potatoes without a few scabby ones. He went on and planted those potatoes, he got seed from them for two years, and two years afterwards the inspectors came, inspected his potatoes, and gave him a clean bill of health. He was the only man in the settlement who had no disease in his potatoes. In the face of facts like that, known to everybody in the settlement and in neighbouring settlements, it is absolutely no use for the inspectors to be sent down. I seriously advise the Minister of Agriculture, if he has no use for these men, to see the Militia Department and get them to go to the war. I believe that Artemus Ward wanted to send all his wife's relations to the war. The farmers of Prince Edward Island want to see all these gentlemen go to the war. They might do some good there, but they are certainly an injury to the agricultural industry of this country.

There are a number of other professors or

lecturers who go around telling the farmers how to farm. They may have been in college and have learned the Latin names of vegetables and plants, but they know very, very little about practical farming—and since the present Government came into power their numbers have been increased and they seem to grow less wise. Burns has described men of this kind by saying that they go into colleges stirks and come out asses. There are a great number of them in the Agricultural Department. I shall tell the Deputy Minister of Agriculture, who understands farming, I presume, what I heard one of these men say at a meeting. He was telling the farmers how to farm. A number of farmers attended the meeting—not a great number attend them in my province now. This lecturer invited questions. One farmer asked him how he would bring on some worn-out fields on the back of his farm. He had no manure, and as this was a professor who could give information on any subject, he asked him what he should do. And do you know the answer he got? Sow clover. Now, any practical man who has ever farmed at all knows that you must have the land in good cultivation before you can get a catch of clover. To sow clover in worn-out land—why, you might as well sow it on the seashore. After that, nobody paid any attention to what he said. That was the kind of man who was sent down there to tell the people how to farm. Surely something can be saved by putting these men on to some other work. The number going around the country is very large. I heard one member from the province of Quebec ask the minister to send some one through that province—send them to Quebec, send them anywhere, but do not send them to Prince Edward Island.

Mr. COPP: I was very much impressed by the statement made by my hon friend from Carleton, N.B. (Mr. Carvell) in reference to the inspection of potatoes. I must confess I have not had a great deal of experience in the potato business, although we grow a great many potatoes for export in and around my constituency. But it seemed to me, from what my hon. friend from Carleton said in regard to the inspectors in and around that portion of New Brunswick, that some of his costituents have a reasonable ground for complaint against the Department of Agriculture. A practical illustration will enable the committee to understand the condition of affairs better than anything I could say. This gentleman—I forget his name, I think he came from Victoria county—sold a carload of potatoes last spring to a gentleman in my county—in fact, in my parish. Whether the potatoes were good or bad I am not in a position to tell the committee definitely; but they came to Sackville by rail, and, for some reason or other, whether proper or not, the consignee refused to accept them, declaring that they were not up to the standard of the potatoes he had paid for. He had purchased the potatoes under a written contract, and a clause in the contract was to the effect that the potatoes must be inspected and passed by the inspector of potatoes in that locality. The shipper of the potatoes loaded his potatoes, and the inspector deputed a man to inspect them. The potatoes were given a clean bill of health by the sub-inspector, and, as I have said, they were shipped to the consignee in Sackville. When they arrived there the consignee would not accept them, and they remained on the track for some days or weeks, until eventually the officials of the Intercolonial Railway sold them to pay for demurrage and freight. They were purchased by a number of people around Sackville for as low as eighteen cents, twenty cents, and twenty-five cents a bushel. According to the information which I received from the gentleman who purchased them, they were excellent potatoes. A lawsuit resulted, the gentleman in Victoria country, or Carleton county, suing the consignee for the price of the carload of potatoes. The case was tried in the court at Dorchester a couple of months ago. I was not engaged in the case. Mr. Hartley, I believe, acted for the gentleman from Victoria county, and his client happened to come to my office to get subpœnas for some of the witnesses who had purchased the potatoes, and I heard the story. The seller of the potatoes lost his case, because it turned out that the man who inspected them was a sub-inspector appointed by the real inspector, and a man not legally qualified to inspect. Therefore the bill of health which he had granted was of no use; the judge withdrew the case from the jury, and the Victoria gentleman lost the value of his carload of potatoes because of the neglect and carelessness of the potato inspector in my hon. friend's constituency. I do not know whether the system of inspection is conducted properly generally, but I think that that man who suffered loss by the neglect

and carelessness of the inspector has an equitable claim upon the Government to be recouped.

Mr. MORPHY: Was the inspector himself present?

Mr. COPP: I do not know whether he was there or not; the judge ruled that he had no authority to appoint a sub-inspector.

Mr. MORPHY: The inspector may have been sick, and many have appointed some one to act in the emergency.

Mr. COPP: Why should the inspector appoint a man who was not legally qualified to make the inspection?

Mr. MORPHY: Does the hon. gentleman undertake to say that in other respects the plaintiff's action was well founded? Had he a written contract?

Mr. COPP: Yes, he had a written contract. I do not wish to mislead the committee in any way. I do not know what the jury might have done if the case had gone before them, but the judge withdrew the case on the legal point that the seller had not fulfilled part of the contract because he had not received a proper certificate of inspection from the real inspector.

Mr. MORPHY: Were the potatoes perfectly good?

Mr. COPP: Perfectly good.

Mr. MORPHY: Were they pronounced excellent by those who bought them?

Mr. COPP: Yes.

Mr. MORPHY: And there was no suggestion that the purchasers could have inspected the carload and found the potatoes good?

Mr. COPP: That was the evidence of the people who purchased the potatoes.

Mr. CARVELL: My hon. friend from Perth (Mr. Morphy) does not understand the situation. The whole inspection was a farce; that is the difficulty. It is not as if the Government appointed technical experts from Ottawa or from some of the colleges. There are a few inspectors of that class, but the ordinary inspector is simply some fellow who was out of a job.

Mr. HAZEN: Does the hon. gentleman contend that it is the duty of the inspectors appointed by the Government to inspect potatoes sold by a gentlemen in Carleton county to a gentleman in Westmorland county?

[Mr. Copp.]

Mr. CARVELL: That is the whole trouble.

Mr. COPP: That was part of the contract.

Mr. CARVELL: The whole trouble is that the Government appoint any fellow out of a job who has enough political pull to get the position. The inspectors themselves look upon the whole thing as a farce. They say: "this is a farce anyway; it does not make any difference whether we sign that paper, or get some one else to sign it." The inspector referred to appointed some one else; the matter got into the law courts, and unfortunately there was a condition in the contract which made inspection necessary before the seller could have a right of action. Therefore the two men—the man who was appointed by the Government and the man whom he appointed as sub-agent—had the same knowledge, or, rather, I should say, neither of them had any. Unfortunately, the wrong man signed the document; that was the trouble.

For the development of the dairying industries, and the improvement in transportation, sale and trade in food and other agricultural products, $155,000.

Mr. CARVELL: Is this the item out of which Mr. Ruddick's salary is paid?

Mr. HAZEN: No; Mr. Ruddick's salary is paid out of the Civil Government Estimates of the Department of Agriculture. All the salaries are paid out of the Civil Government vote.

Mr. CARVELL: Well, the staff will be paid out of this?

Mr. HAZEN: No, the salaries are paid out of Civil Government Estimates.

Mr. CARVELL: Would the minister explain, then, just what this $155,000 is to be expended for?

Mr. HAZEN: This item is for the development of the dairying industry and improvement in transportation, sale and trade in food and other agricultural products. The amount spent last year was $215,910. The Estimate is made up this year as follows:

Headquarters	$15,250
Dairy division	97,150
Markets	21,790
Cold storage service	20,800

These items are subdivided again in this way: The expenses of headquarters and branch offices, consisting of printing, stationery, contingencies, unforeseen expenses; Montreal office, rent, water rates, telephone, and incidental expenses; Halifax office,

rent, telephone, etc. Dairy division—inspectors of dairy products, cheese and butter weighing and cow testing, dairy recorders, dairy stations, apparatus for experiments, supplies and repairs and experimental cold storage warehouse at Grimsby. Markets division—inspectors at Montreal, Portland, Halifax and in Great Britain, and temporary employees at Montreal. Cold storage branch—cream cold storage bonus, travelling expenses, cold storage inspector, and items of this sort. I do not suppose my hon. friend wants me to go into all these details.

Mr. SINCLAIR: What is the explanation of the $21,000 for markets?

Mr. HAZEN: These are the items making up the expenditure of $21,790: Permanent employees in Canada—cargo inspector at Montreal, $1,500; cargo inspectors at Montreal, Portland and Halifax—

Mr. SINCLAIR: I am not so much interested in the items, but I would like to have an explanation of what is done in the way of looking for markets for our agricultural products.

Mr. HAZEN: Cargo inspectors are stationed at Montreal, Quebec, Halifax, Liverpool, Bristol, and, in the winter season, at Portland, Maine, to report on the conditions of all perishable goods delivered to and discharged from steamships, and to supervise the handling generally of these products. A large number of self-recording thermometers and thermostats are used, and thousands of records are available. A Canadian shipper may, by application to the Dairy and Cold Storage Commissioner, secure complete records of any consignments from the time the goods arrive at the loading port in Canada until they are distributed in the United Kingdom. This applies also, but not so generally, to shipments to South Africa and Australia. They also supervise the refrigerator car services.

Mr. TURRIFF: A little over a month ago all the members of the House—at least I did—got notice from the department that the report of the Dairy Commissioner had been issued and that we could receive it by going to the distributing office. When we went there we found that the report was not available, and it was not available for ten days, or quite a time after that. My information is that the report that had been issued was called in and that a new report was issued. Perhaps the minister would give an explanation.

Mr. HAZEN: My information is that the report as prepared in the first instance, and before it had been distributed, contained references to certain matters in connection with the war, the publication of which would have been entirely against public policy and public interest at the present time. That was eliminated from the report.

Mr. TURRIFF: Would the minister state what the substance of the report was?

Mr. HAZEN: No; it might as well be printed in the report and circulated as that I should tell it to the House.

Mr. TURRIFF: My information is not exactly the same as the information the minister has. My information is that there were references to the sale of certain articles, but that after something had taken place in the House in connection with the sale of hay, this report was recalled. I notice in the index of the report that the first item is "War Office Agency." There is nothing whatever in the report about a War Office agency. A new report has been issued, but, as is usual in most shady transactions, care was not taken to cover up all the tracks. They forgot to take the index out of the new report. The index contains the reference "War Office agency," but there is absolutely nothing in the report in connection with the War Office agency. We have here a report with the first leaf cut out and another leaf pasted in. Any one can see that it is of absolutely different paper and different type. The sheet has obviously been pasted in. I am afraid the explanation given by the minister is not the right one. My information is that, after the discussion which the Minister of Agriculture and the hon. member for Carleton had in the House over hay about a month ago, it was found necessary to cut this sheet out. I think the minister should give us some better explanation than he has given.

Mr. HAZEN: I have given the explanation that was made to me. It occurs to me that what the hon. gentleman says confirms my explanation. He says that in the second book the index contains the reference "War Office agency," and that there is nothing in the report itself bearing on that subject The index has probably

been overlooked. That bears out the information that was given to me, which was to the effect that it was thought inimical to the public interests to publish what appeared in the first report, with regard to supplies that were being bought by the department for the British and Allied Governments.

Mr. TURRIFF: It would be pretty hard to make me believe that the gentleman in charge of getting out this report did not know what would be inimical to the public interests. He would know perfectly well what to put in the report and what to leave out. The fact is that after certain statements had been made in this House it was thought necessary to recall the first report, and take out this leaf. I feel certain of that.

Mr. CARVELL: The silence of my hon. friend is very ominous. It seems to me that the hon. member for Assiniboia (Mr. Turriff) has put a pretty straight proposition to the minister this evening. He practically says that he does not believe the explanation given by the minister. He does not mean that personally, of course. I also want to add my testimony to the ability and knowledge and good judgment of the gentleman who submits this report. To my knowledge, he has been in the department for thirteen or fourteen years, and I think even longer than that. He has been making reports every year for the department, and I believe has been doing good work for Canada. I have nothing more to say about him. I do not believe he would put in one word that was inimical to the interests of this country, or one word that would help our enemies, or one word that would not be in the interests of the people of Canada who pay for the production of these reports and the salaries of the officials who are producing them. My information is that the only thing that has been taken out of the report was a statement to the effect that the department had purchased large quantities of hay, oats and flour. This was in accordance with the satisfactory method adopted by the Government at the time of the South African war; that is to say, to put in the report just a general statement of purchases. All that is entirely innocent and perfectly correct. But hon. gentlemen will remember that there was a discussion in the House on the 25th and 27th of January last, during which I narrated some of the conditions in the province of New Brunswick in regard to hay purchases by the Agricultural Department. The Minister replied on the 27th, and I am very sorry he is not here to-night. I am not going into this subject now because I hope to have an opportunity of discussing it with the minister when he is in the House again. But as the present Acting Minister of Agriculture was the man responsible for the difficulty, I might address him. I went to the Minister of Trade and Commerce and pointed out to him the iniquity that was being practised in my province and county. I said that if he would give a contract to McCain, who had the only compressing plant in Canada not in use at the time, or anybody else who would furnish some competition, I would be satisfied. That was followed by a letter addressed to Mr. Ruddick, dated December 24, offering to pay for loose hay not less than $15 per ton if they would give a contract for from 3,000 to 5,000 tons. But they would not do it, and the acting minister knows why they would not do it. I had a conversation with the minister, and I am sorry we had a little disagreement as to the exact words used. We did not disagree with regard to the substance, however. I told the minister that if he would give McCain or any other responsible firm a contract, in order to furnish some competition, I would be satisfied and nothing more would be said about it. But instead of doing that, the minister came to this House and read an old agreement which was made with a company with whom I was connected fourteen years ago, when I was a private citizen, not a member of the legislature or a member of the House of Commons. This document, which was public property all over New Brunswick for years, was prepared in the presence of every hay dealer in the county. While there was a clause in the agreement restricting the price to the farmer, my hon. friend should have known that the contract could never have been filled without that clause in it. Smith demanded and was perfectly right in insisting on the clause being put in. He was signing a contract to furnish us with four thousand tons of hay. He said: "I am selling you 4,000 tons of hay at a certain price. If Bohan is allowed to go around the country buying hay and paying more than I can afford, I cannot fill my contract, and I want to be protected against that." Bohan Brothers were members of the parent company and might purchase without profit,

so we put the clause in. Bohan and all the other hay merchants present agreed to it. They knew all about it. It was put in at Smith's request.

Mr. MORPHY: What clause does my hon. friend refer to?

Mr. CARVELL: That the farmer should not receive more than $8 a ton.

Mr. MORPHY: And in case more than $8 a ton was paid he should be fined.

Mr. CARVELL: Sit down, if you please. I do not know whether the farmer was to be fined. This thing has been public in New Brunswick for years.

Mr. MORPHY: Did the hon. gentleman draw up that agreement?

Mr. CARVELL: I helped to sign it. I take my full share of responsibility.

Mr. MORPHY: You have to.

Mr. CARVELL: I do. I never go back on anything I do, and I never say a thing behind a man's back that I would not say to his face. I say that that clause was perfectly right from Smith's standpoint. If it had not been in the agreement, it is quite true that Bohan might have offered a larger price for a few lots of hay in each community, and Smith would then have to pay a greater price than he could afford.

Mr. WILCOX: And the farmers would have benefited to that extent.

Mr. CARVELL: The farmer was getting $1.50 a ton more than he ever got in his life before.

Mr. WILCOX: He must be getting $5 or $6 more at the present time.

Mr. CARVELL: He is, and even then he is not getting within $1.50 of what he ought to get, and when I started into this business he was not getting within $3 of what he ought to get. As I said, the clause was put in at Smith's request and for his protection. I asked the minister to give the contract to Mr. McCain, or some other responsible firm who would give us some competition, and in that case I would have nothing more to say. The minister did not say whether he would or would not, and at a subsequent conversation he said that he thought it was not possible. He said that he had given a contract to the Atlantic Hay company for 15,000 tons of hay, and that it was doubtful whether they could get more than that amount in New Brunswick, and that if a contract was given to somebody else and they paid a higher price the Atlantic Hay company might not be able to fill their contract, and the department might be responsible to some extent. He did not think it would be fair and right. I want to tell this House what the acting minister knows better than any other man in Canada: he knows that he could not keep the lid on any longer; he knows that he had to give in. As the minister from New Brunswick he was compelled, not through my pressure, but through political pressure, to give a contract to another set of men, and I want to tell him that that hay compressing plant is in operation in the town of Woodstock to-day, and the people of my constituency will get the competition which I urged the Government to provide some two months ago. If the Government had acted on my suggestion the matter would never have been discussed in this House, and it would not have been necessary for my hon. friends opposite to mutilate a public document in order to get out of a difficulty in which they found themselves. The acting minister knows that, on account of a political rumpus in my constituency that threatened to rend the Conservative party in two, they were compelled to give a contract. Of course, the minister would not give it to McCain, for McCain is a Liberal, though he promised that he would pay the farmers $15 a ton for their hay. It was given to my hon. friend's friend, Smith, who has been buying at from $13 to $13.50 a ton. It is true that the only compressing plant that could carry on this business was owned by McCain in Woodstock. But he was a Liberal, and no amount of consideration for the public interest would drive the Minister of Agriculture to give the contract to a Liberal—that is a piece of political heresy that he has never been guilty of yet. But when the trouble got so bad that it threatened to split the Tory party in two, and when they came and said: Give us a contract or we will rebel; they gave a contract to a body of Conservatives. One of them is the police magistrate, a splendid gentleman, as the Minister of Militia (Sir Sam Hughes) would say. Another is a lawyer; another a farmer; and two others are merchants. They are all good, responsible men—no fault to find with them. They purchased the McCain press; and they have got a contract, I do not know for how much. It was for 3,000 tons, but perhaps the minister will tell me the amount of it

now. And this concern is doing the very thing that I asked the minister to do two months ago, and which he refused. And, instead of meeting the charge I made, he read an ancient document to try and make a case against me. I notice that he did please some of his followers here, but he only made himself ridiculous in New Brunswick where the facts are known. The fact is, the pressure became so strong that he could not resist it and had to come to the proposition I made and do what I asked him—except that, instead of giving the contract to the man who owned the plant and who had agreed to pay a good price to the farmer, he gave it to political friends who bought the plant and who, so far as I know, did not agree to pay any particular price to the growers of the hay. But natural competition will run the price up, and the farmers will get a better price than they have been getting. This was done at the risk of a fight with Smith. They

10 p.m.

went to St. John and Smith began to tell them: We have got Carvell licked. But these gentlemen said: "we are not here to lick Carvell, but we are here to lick you if you don't give us contracts." They came to Ottawa and saw the minister, and the minister climbed down—not to help lick Carvell, but to save the other from a licking. That is an illustration of how things are being carried on by this department, and by this branch of the department. I find no fault with the officers; they are only the unfortunate medium through whom the dictates of the men behind the minister are carried out. I do not want to go any further now, but when I have an opportunity, later in the session, of discussing this matter with the minister. I shall have a few things more to say to him. For the present I am happy to tell the House and the country that the minister has been compelled to do the very thing I wanted him to do, except he has not done it nearly so well as it would have been done if he had taken my proposition. But my people will get the benefit of competition to some extent, and I hope they will get $15 a ton for their hay. Had I not interfered, they would have been selling to Smith for $12 and Smith would have cleaned up $75,000 instead of about $40,000.

Mr. HAZEN: No one knows better than my hon. friend that this discussion is absolutely out of order; but he has wanted an opportunity to make a statement to the House regarding this hay transaction, and, that being the case, I did not want to raise a point of order, because I think nothing is gained in Committee of Supply by adhering too closely to the rule and confining the discussion to the single item before the Chair. The hon. member for Assiniboia (Mr. Turriff) and the hon. member for Carleton (Mr. Carvell) have talked of the "garbling" of the report. I made the statement supplied by the department as to what occurred, and I think that hon. gentlemen should have accepted that statement. They are not disposed to do so, and so I am obliged to say to the committee that the suspicions of the hon. gentlemen are entirely unwarranted and unfounded. The change in the report had nothing to do with contracts for hay, or with any matters of that sort. That statement I make on the authority of the responsible officials of the department. I believe that statement to be true; I have no doubt of the truth of it.

The matter of the hay contract is pretty fresh in the minds of hon. members. We heard the attack made by the hon. member for Carleton on the Minister of Agriculture and we heard the minister's reply, and every one who heard that discussion knows that the Minister of Agriculture did not come off second best, but that he was able to maintain the position he had taken and to answer completely my hon. friend from Carleton. That hon. gentleman now is posing as the champion of the farmers of his constituency, although the minister showed the House that the hon. gentleman had not been so much the champion of the farmers in the past, but was ready to fine the farmers and punish them if they sold their hay for more than $8 a ton—not a very large sum to get for hay in the county of Carleton. But I do not intend to go into that, more especially as the hon. gentleman has indicated that he intends to bring it up at a later day when the Minister of Agriculture is in the House. But I was not compelled by political or other considerations to take the course he alleges I have taken. The estimate given to the department when the contract was entered into with the Imperial Hay Company—

Mr. CARVELL: The Atlantic Hay Company.

Mr. HAZEN: The Atlantic Hay Company—I say the information in the possession of the department was that about 15,000 tons of the hay that would be required would be available from New Brunswick this year.

They awarded that contract for 15,000 tons. My hon. friend talks about Mr. Smith making from $60,000 to $75,000 out of the contract, but he knows that the final agreement was that Smith's books, or the books of the hay company, shall be open to the inspection of Government inspectors and accountants appointed by them, and that they shall not make a profit of more than $1 a ton on the hay they send out, the limit of which shall be $15,000, not $75,000, as stated by the hon. member for Carleton. The hon. gentleman sometimes talks in the language of exaggeration, but it is inexcusable for him to do so on this occasion, having in regard the statement made by the Minister of Agriculture concerning the agreement which was finally entered into. Every precaution was taken to see that everything was done regularly and in the proper manner. Now, what is the complaint of the hon. member for Carleton? Some gentlemen from the county of Carleton made an application for another contract some weeks ago. They said they thought they could supply 1,500 tons of hay, on the same terms and conditions as were contained in the agreement made with the hay company of which Mr. Smith and the Messrs. Peters are members. A contract was given these gentlemen, not for 1,500, but for 1,000 tons, because before they entered into the contract they said that that was all they would undertake to supply. In regard to my hon. friend's assertion that this is the first time that things were done contrary to the wishes of Mr. Smith, I desire to say that Mr. Smith had advised the department that he had no objection to offer if the contract was entered into with those gentlemen for the amount of hay which they said they were able to furnish. My understanding of the matter is that when it came to making the contract, they were willing to undertake to supply only 1,000 tons, intimating that perhaps at a later date, when they saw better how matters were and to what extent hay should be available in the country, they might be prepared to enter into a contract for the supplying of a further amount. The terms and conditions of this contract were the same as those of the agreement entered into with the other contractors, which provided that they could not make a profit of more than $1 a ton. I was not influenced by fear of schism in the Conservative party in Carleton county. They are good fighting men, as the Liberals in Carleton are, and when a contest comes they are prepared to stand together, more strongly and more determinedly than they ever stood together in the past. The hon gentleman says that the facts are laughed at in New Brunswick. My information is of a very different character indeed. The greatest possible interest has been taken in the matter, particularly in the hon. gentleman's constituency, where it is known that he is connected with the matter. If my information is correct, there is a feeling of indignation among the farmers in the county of Carleton over the publication of that contract which proposed to penalize and punish the farmers of the county for thinking of anything so iniquitous as selling their hay to any operator at more than $8 a ton. However, this is not the time and place to discuss this matter, although my hon. friend no doubt wanted an opportunity of making some reference to the debate that took place in which he and the Minister of Agriculture were the principal participants. I shall say nothing further about it at this time, except to assure the hon. member for Assiniboia and the hon. member for Carleton, speaking in all sincerity, and having regard to the information which I have received, which I believe to be correct, that their suspicions with regard to what was in the report and what was afterwards deleted from it are absolutely without foundation.

Mr. CARVELL: I want to put my hon. friend right: it was not the farmer who might be penalized; it was the merchant.

Mr. HAZEN: He would be penalized for paying the farmer a little more.

Mr. CARVELL: It was not so bad for the Minister of Agriculture to make an argument of the kind advanced by my hon. friend to-night, because the minister did not know what he was talking about. The acting minister talks about this man Smith bringing his books into court, and about allowing him only $1 a ton profit. The minister will do mighty well if he does not pay $25 a ton for that hay instead of $23, because the most glorious set of books ever seen on earth will come before the minister. When you talk to the farmers in New Brunswick about Smith's books being brought before the minister or before a chartered accountant or inspector of the Government—well, my hon. friend is smiling; he knows the circumstances.

Mr. HAZEN: I am smiling at my hon. friend.

Mr. CARVELL: At the time of the South African war, Conservatives could get contracts.

Mr. HAZEN: They say they could not.

Mr. CARVELL: There were a couple of gentlemen in the city of St. John by the name of Peters; I do not think my hon. friend will say they are not Conservatives. My hon. friend made a slip a few minutes ago, when he referred to the Atlantic Hay Company as the Imperial Hay Company. The Imperial Hay Company—that was the Peters' concern—had a contract in 1901-02. They were good Conservatives, and they got the contract on the basis upon which contracts were given to any one else. These gentlemen were quarter owners of the Atlantic Hay Company. B. F. Smith Carleton county, was a quarter-owner, A. C. Smith & Co. of St. John were quarter-owners, the Peters' were quarter owners, and a man named Macdonell of Montreal had a quarter. The Peters' have made up their minds that the company has been badly handled from the political standpoint. There has been such a row that they have withdrawn from the company, and have sent circular notices to the trade to that effect. So you see, Mr. Chairman, that my hon. friend is having his own troubles in New Brunswick over this hay business.

Mr. HAZEN: No trouble.

Mr. CARVELL: There are some things that the hon. gentleman and I know which, perhaps, would not be interesting to the committee; therefore I shall not go into the matter any further. The history of the hay business in New Brunswick has not yet been half told. Possibly before we are a year older the minister and I may have another opportunity of enlightening the people a little on this wonderful question.

Arts and Agriculture—Fruit Branch, $115,000.

Mr. CARVELL: When I was referring to the powdery scab business, I made reference to the Dominion entomologist; I should have said, "Dominion botanist." I want to make that explanation, because, when I come to think it over, I know enough about technical terms to know that it was the botanist, not the entomologist, that I was after.

Mr. TURRIFF: I noticed the following article in the Montreal Herald of Saturday, February 19, 1916:

Apple Growers' Problems.

Mr. F. H. Grindley, of the Fruit Branch, Ottawa, advocates the packing of apples, except Fameuse and Mackintosh, in barrels.... The placing of 50 cents a barrel and 30 cents a box on apples imported into Canada would practically save the fruit industry of British Columbia and would also be helpful to fruit-growers in other parts.

Since when has it been the policy of the Department of Agriculture to send their officials around the country talking politics, discussing questions of duty and how they will affect the people of Canada. It seems to me it is a most uncalled-for proceeding on the part of an official, altogether outside of his duties, and such as should not be tolerated for a moment.

Mr. HAZEN: Under what circumstances did he say that?

Mr. TURRIFF: It was at a dairymen's annual convention at Hemmingford. It is a practice that should not be allowed. That was just before the elections took place in British Columbia, and as the duty was put on not so much to help the apple-growers as to help the politicians and the Government of British Columbia, surely it is enough for the politicians to engage in that class of work. There are enough of them, when you take both sides, to discuss that thoroughly, and if the Department of Agriculture has no departmental work for this official, would it not be a good idea to let him devote his time to politics and save that much money in this time of stress, when we want to practise the utmost economy? Can the Acting Minister of Agriculture, now that the elections are over, and apparently the extra duty has not been of much advantage to the British Columbia politicians, tell us whether it is proposed to take that duty off?

Mr. HAZEN: I do not know the young man to whom my hon. friend refers. I can only assure my hon. friend that he had no instructions from me to go down and make any such statement, and I am quite satisfied that he got no instructions from any official occupying a position of responsibility in the department. It is not always safe, of course, to judge a man by a newspaper report of what he said. We all know that we often see reports of our speeches in newspapers that convey a different idea from what we had in mind. After all, a synoptic report is only the idea the reporter has of what the man says, and frequently the reporter's idea is incorrectly put into type. So a man's

speech is often misunderstood. I do not hesitate to say that no official of the department has a right to go into any part of the country and talk politics, and I will instruct the deputy minister to speak to Mr. Grindley about the matter. I am disposed to think that he may have referred to these duties as being of general assistance to the apple-growing industry, and it is quite likely that when we have the full text of his speech it will be seen that the synoptic report makes it convey a different meaning and that the speech which was actually made may not have been in any sense objectionable. As to the suggestion to change the tariff, I understand the resolutions will be before the House very soon, and that will be the time to discuss them.

Mr. TURRIFF: I quite agree that it would be quite possible that the gentleman was mis-reported, and also quite possible, and I think most likely, that if he did make reference to the tariff, it was without any intention to discuss political matters.

Mr. OLIVER: What is the present annual production of apples in British Columbia?

Mr. HAZEN: The production for the last year was 650,000 boxes, which is equal to 1,000 cars. There are 3 boxes to a barrel.

Mr. OLIVER: I read a report from a British Columbia paper to the effect that 30,000 acres were under orchard in British Columbia ,and that 40 per cent of that area was in bearing to a greater or less degree.

Mr. HAZEN: That is about right, I am informed.

Mr. OLIVER: Has the department any knowledge as to when the remaining 60 per cent will come into measurably full bearing?

Mr. HAZEN: They will all be in full bearing in about ten years.

Mr. TURRIFF: Can the department give any information as to the apple-growing industry in British Columbia, the kinds of apples grown, and whether they are making any advancement?

Mr. HAZEN: My information is that they are growing a very superior class of apples in British Columbia.

Mr. CARVELL: That is a very illuminating answer, and I think we should let the item pass.

Towards the encouragement of cold storage warehouses for the better preservation and handling of perishable food products, $150,000.

Mr. CARVELL: Why is there a reduction in this item?

Mr. HAZEN: That is perhaps because the amount last year was too large. The Cold Storage Act, I understand, covers four years. The first year you pay 30 per cent of the cost of erection, the second year 8 per cent, and then 4 per cent. The Estimate last year was very much over calculated. The amount spent last year was $83,280.

Mr. TURRIFF: Can the minister tell us whether the calculation this year is more nearly correct than it was last year?

Mr. HAZEN: What I am told is that it cannot be accurately estimated from year to year. Within a month or two, some application may come in asking for aid under the provisions of this Act.

Mr. CARVELL: Can the minister say how many companies have taken advantage of this Act? Some years ago, a company in my own town took advantage of it with some assistance from the Government of New Brunswick, and while the warehouse has not been a great success financially, I think the money has been well expended. I doubt whether there ever was a small amount of money spent in my constituency that produced better results than this grant for a cold storage warehouse.

Mr. HAZEN: I have a list of the warehouses erected since 1907. In Alberta, there are Campbell and Hamilton, Calgary and the Edmonton Cold Storage Company, Edmonton.

Mr. OLIVER: Has the grant to the Edmonton company been paid up, or is there something still coming to them?

Mr. HAZEN: There is $6,080 still coming to the Edmonton Cold Storage Company. I think it is due to-day, March 3, 1916.

Mr. OLIVER: That will be paid of course?

Mr. HAZEN: Oh, yes. In British Columbia there are the B. Wilson Company, Victoria; the Canadian Fish and Cold Storage Company, Prince Rupert; and the H. & K. Trading Company, Penticton. In Manitoba there is the Brandon Creamery and Supply Company, Brandon. In New Brunswick, there are the New Brunswick Cold Storage Company, St. John; and the Cold Storage Limited, Woodstock. In Nova Scotia there are the Lockport Cold Storage Company,

Lockport; the North Atlantic Fisheries, Port Hawkesbury, and the Halifax Cold Storage Company, Port Hawkesbury. The Halifax Cold Storage Company's warehouse was burned in 1913. In Ontario, there are Scott and Hogg, Peterborough; the J. D. Moore Company, St. Mary's; Lemon Brothers, Owen Sound; the Chatham Fruit Growers' Association, Chatham; the O'Keefe & Drew Abbatoir Company, Chatham; the Palmerston Cold Storage Company, Palmerston; the Trenton Cooperage Mills, Limited, Trenton; the St. Lawrence Produce Company, Brockville; Flavelles, Limited, Lindsay; Gunn's, Limited, Harriston; the St. Thomas Cold Storage Company, St. Thomas; the Brantford Cold Storage Company, Brantford; the Whyte Packing Company, Mitchell; and the Algoma Produce Company, Sault Ste. Marie. In Prince Edward Island there is the Island Cold Storage Company, Charlottetown; in Quebec, the Dominion Fish and Fruit Company, Quebec, and J. H. Sans Regret, Joliette; in Saskatchewan, the Moosejaw Cold Storage Company, Moosejaw, the City Cold Storage Company, Regina, and H. Gauvin, Vonda.

Mr. CARVELL: Are there many of these warehouses large institutions?

Mr. HAZEN: The Atlantic Fisheries warehouse is a large institution; it cost $200,000. The warehouse at Prince Rupert is also a very large one; it cost $350,000.

Mr. TURRIFF: Are all the cold storage warehouses which are aided by the Government in operation?

Mr. HAZEN: I am informed that they are all in operation.

Mr. CARVELL: I would suggest that the minister consult with the officers of his department as to the desirability of giving a little larger subsidy to these warehouses, and as to imposing more restrictions compelling the owners to accept goods at fair rates. I am not finding fault with the local institution, but the warehouse at Woodstock, was, I think, too small in the first place. It was so small that the owners could not branch out, and could not invite the public to use it, because they occupied practically all the space themselves.

Mr. HAZEN: It received some aid from the local Government, I think?

Mr. CARVELL: Yes, I mentioned that. My view is that if the subsidies were made larger, and the conditions more stringent, we would get better results. In the Woodstock warehouse, if any one wanted to store say a certain quantity of meat, the owners would say: we are sorry, but all the space fit for that kind of storage is occupied. I think there ought to be some better regulations as regards the occupancy of the building, and also some better control of the rates than the department exercises at the present time. However, I heartily approve of the principle, and I hope the Government will establish more warehouses. I am surprised, in view of the results of which I know personally, that more companies have not taken advantage of the Act.

Mr. OLIVER: Is the department satisfied that the cold storage system, as it is operated, has a tendency to improve prices in the case of the producer, and to decrease prices in the case of the consumer? That was the intention of the Government in aiding the establishment of cold storage warehouses, but there are people to-day who have grave doubts as to whether that result has been achieved. I would like to have the opinion of the department on that point.

Mr. HAZEN: I do not think that the officers of the department are willing to commit themselves on that point, but, from what I know about the subject, I think the establishment of these warehouses has increased prices to the producer, though I doubt whether they have reduced prices to the consumer. It may have equalized prices to some extent. In consequence of the cold storage facilities, the producer is able to keep his products until the market is ready, and he is not forced to put them on the market in order to save them from destruction, as used to be the case, thereby causing a glut in the market and bringing the prices down. That of course, meant lower prices to the consumer.

Mr. CARVELL: But there were times when the consumer could not get the products at all.

Mr. HAZEN: On the whole I think the effect has been beneficial in the direction of equalizing prices, and certainly beneficial to the farmers and producers. Of course that is only a personal opinion.

Mr. OLIVER: This is a very important question, probably too important to discuss at this late hour, and I think it is one that might very well be considered carefully. There is the possibility that the owner of a cold storage establishment may use the stocks which he has on hand from the previous season, and which he is able to keep, to hammer down the prices of the producer at the time of greatest as well as of least

production, and at the same time withhold the goods from the consumer and increase the prices to him at the time of greatest production.

Under ordinary circumstances the consumer would get the benefit of a great production as, in other cases, the producer would get the benefit of a small production? My hon. friend has said that the tendency is to equalize prices. There are people who hold the impression that the equalization is an equalization entirely in favour of the owner, or patron, of the cold storage warehouse and not in favour of either the producer or the consumer.

Mr. HAZEN: As a rule the goods in the warehouse are the property of producers, or people who send them there, and not the property of the owners of the warehouse.

Mr. OLIVER: That is quite true. I want to make the argument as short as possible. The people of Canada have put money into these warehouses with the view of reaching a certain result. There are very grave doubts about their having reached the result desired. The theory being right, and the Government having invested the people's money in that theory, it is for the Government to see that the theory is carried into practice by some more stringent regulation and supervision than yet obtains and to compel these people who have been bonused and benefited at the cost of the country to fulfil the duties to the public that they are expected to fulfil.

Exhibitions, $100,000.

Mr. HAZEN: That is entirely for the exhibition at San Diego. Towards the close of the Panama-Pacific Exhibition at San Francisco, requests were made to the Canadian Exhibition Commissioner, as well as to the Minister of Agriculture, by the exhibition authorities to transfer the whole Canadian exhibit from San Francisco to San Diego for display during the year 1916, it having been decided to continue the California Exhibition for another year. This request was accompanied by an offer to pay the freight on the Canadian exhibit from San Francisco to San Diego and to give free electrical current, water and gas. As there was no other International Exhibition to be held in 1916 to which Canada could transfer her exhibits, and as it would cost nearly $50,000 to remove the Canadian exhibit from San Francisco to Ottawa for storage, it was decided, in view of the benefits that might reasonably be expected to result from the presence at San Diego for a whole year of the Canadian exhibit which had attracted so much attention at San Francisco, to accept the offer of the San Diego authorities and this $100,000 is to cover whatever expenses there may be in connection with it.

Mr. CARVELL: Does the minister anticipate that he will require the whole $100,000?

Mr. HAZEN: It is hoped not, but the amount is made $100,000. There may be some other exhibition in the future for which some preparatory work will have to be done. It is not expected that the cost of the San Diego exhibition will run up to $100,000.

Mr. TURRIFF: It seems to me that it will be largely the same people who will see the exhibit at San Diego as those who saw it at San Francisco. In ordinary times I think that would have been a fairly good line of policy. There might be a considerable amount of good resulting from it, but just at the present time people are not coming from the United States to Canada to any large extent. While we are all economizing it would be a good chance for the Government to practise a little economy on its own account.

Mr. HAZEN: We would not economize very much, as it would cost about $50,000 to dismantle this exhibit and bring it back to Ottawa.

Mr. TURRIFF: It will cost that much at the end of the San Diego exhibition just the same.

Mr. HAZEN: But at the end of the exhibition there will be an exhibition somewhere else. I do not think that the same people who visited the exhibition at San Francisco would go to the San Diego exhibition. The people of the United States are very prosperous at the present time. Wealthy people who were in the habit of taking trips to Europe have been cut off from that and a great many of them will avail themselves of this exhibition. It is probable that a good many people will see this exhibition and have the attractions of Canada drawn to their attention. It may not have an immediate effect, but the diffusion of knowledge about Canada must have a good effect in the future.

Mr. TURRIFF: It is close to Mexico, and those people will see it.

Health of animals, $570,000.

Mr. HAZEN: This is a large item and the Estimates for the present year are based on the expenditure of the past year. The Estimates are made up in this way: Salaries and fees, $200,000; travelling expenses, $140,000; general expenses, $15,000; printing and stationery, $5,000; dipping, $10,000. Then there is a large item paid each year for compensation for animals that are killed by authority of the veterinary inspectors as follows: Glanders, $35,000; hog cholera, $100,000; dourine, $35,000; tuberculosis, $30,000. The amount that was spent under this item in 1915-16 was $348,287. The work of this division is limited to the control and reduction of contagious and infectious diseases governed by the Animals Contagious Diseases Act. Fortunately, the only diseases which have necessitated official action in this country are glanders, dourine, anthrax, hog cholera, mange, rabies, and tuberculosis. Any new work which this division has been called upon to perform has consisted of changes in the system of combatting diseases due to modern discoveries. Two-thirds of the cost is for animals that have been destroyed.

Mr. OLIVER: This shows an increase of $30,000; what is the reason of that?

Mr. HAZEN: I am told that the increase has to do with work in connection with tuberculosis in cattle.

Mr. OLIVER: If I caught correctly the figures that the minister read, it would seem that this amount is very much larger than the expenditure last year.

Mr. HAZEN: It is $21,000 larger. The amount actually spent in 1914-15 was $549,288.77. The amount of this item is $570,000. That would be an increase of about $20,000.

Mr. CARVELL: My hon. friend from Huntingdon (Mr. Robb) and my hon. friend from North Oxford (Mr. Nesbitt) could not very well be here to-night, they are very much interested in this matter and I think the minister might let it stand.

Item stands.

Dominion cattle quarantine buildings—repairs, renewals, etc., $15,000.

Mr. HAZEN: This is simply for repairs to quarantine stations all over the country, of which there are a great many.

Department of Agriculture — Publication Branch, $20,000.

Mr. TURRIFF: Why the increase?

[Mr. Turriff.]

Mr. HAZEN: The amount spent last year was $14,145, which came dangerously near the limit. This branch was organized in 1910. The increase is accounted for by the increased issue of the Agricultural Gazette, of which a great many more copies are now being requested. Expenses under this head also include filing cabinets, index cards, stationery, etc.

International Institute of Agriculture—to assist in maintenance thereof and to provide for representation thereat, $20,000.

Mr. HAZEN: It was explained to the House some years ago that practically all the nations of the world had agreed to the establishment at Rome of an agricultural institution, a sort of clearing house for the different nations of the world in agricultural matters. Every country connected with this is assessed $4,560 a year. Then $6,000 is allowed for the bulletin which is issued from time to time. Those are the principal items.

Mr. TURRIFF: Does the minister think it is worth the money?

Mr. HAZEN: Of course I have not studied this question, and cannot say. We entered into this in good faith, and I think we are bound to continue in it.

To enforce the Seed Act, to test seeds for farmers and seed merchants, to encourage the production and use of superior seeds, and to encourage the production of farm and garden crops, $150,000.

Mr. J. J. HUGHES: It is well known that there is a great shortage in the crop of potatoes in Canada, particularly in Prince Edward Island. In some cases the farmers will have difficulty in getting seed. Under these circumstances, would it not be well for the Government to consider the advisability of suspending the duty upon potatoes? Potatoes are very dear at the present time, and will be dearer before the new potatoes are ready for use.

Mr. HAZEN: Does a duty of ten cents a bushel make much difference?

Mr. HUGHES: That is the duty on our potatoes going into the United States. We have to pay twenty-five cents a bushel duty. It will be difficult to obtain potatoes for any purpose in this country before the new potatoes are ready. The new potatoes in the United States will be ready for use a month or two earlier than ours, and I think the duty should be removed so that the people of this country can get potatoes from the United States. There are no pota-

toes for sale in the province from which I come.

Mr. HAZEN: Perhaps you could get them from New Brunswick. There is also a fine crop of potatoes in Alberta this year. I understand that potatoes are scarce in New York state, so removing the duty might not help.

Mr. HUGHES: If we cannot get potatoes from the United States suspending the duty will do no harm. The suggestion is worth considering.

Mr. HAZEN: I am informed that the Department of Agriculture has undertaken to inspect for the Government of Ontario 6,000 bushels of potatoes that are being brought from Alberta for seed purposes in Northern Ontario. I am told that the potato crop in Alberta is excellent, and that the potatoes are clean and absolutely free from disease of any sort.

Mr. HUGHES: I am afraid that coming from such a long distance the price will be pretty high.

Mr. HAZEN: They are very cheap.

Mr. OLIVER: I am willing to support the suggestion of my hon. friend from Prince Edward Island. We had an abundant crop of potatoes in Northern Alberta last year, but nevertheless I should like to see the suggestion of my hon. friend acted upon. I would also suggest to the minister the advisability of securing from the railways such a rate as would enable the surplus of potatoes in Alberta to reach the market in Eastern Canada. I think it is a matter of sufficient importance to claim the attention of the Government. We had a very abundant crop last summer in Alberta, so abundant that I am afraid that in some cases the potatoes were left in the ground as not worth taking up. And it may be that some have been lost in the very severe weather this winter. But even so, there is a large surplus and the price is low.

Mr. HUGHES: Will the hon. minister take into consideration the suggestion of the hon. member for Edmonton (Mr. Oliver).

Mr. HAZEN: That is a matter for the Finance Minister. We will consider it, certainly.

Mr. HUGHES: Do something more—consider it favourably.

National Biological Laboratory, $25,000.

Mr. HAZEN: That item has been in for many years. It never has been used.

Mr. TURRIFF: If we are going to practice economy, it seems to me this is a chance for it. I move that this item be struck out.

Mr. HAZEN: There is no extravagance if the money is not spent. It was put in the Estimates a number of years ago when there was talk of establishing a health department, and it was intended to have a biological laboratory in connection with that department. I do not know whether the amount will be required this year. But it is hardly worth while striking out.

Mr. TURRIFF: I do not agree with the hon. minister. The fact that it has been there for a number of years is the reason why it should be struck out. If it is kept there somebody may find a way of expending the money.

Mr. HAZEN: I think it would be a very good thing.

Mr. TURRIFF: Then the Government has been remiss for the last four years in not spending the money.

Mr. HAZEN: Both Governments have been remiss; there is no doubt about that.

Amendment of Mr. Turriff negatived.

For the administration and carrying out of the provisions of the Agricultural Instruction Act, $25,000.

Mr. OLIVER: What is this for?

Mr. HAZEN: The Act referred to is the one under which $1,000,000 or more is distributed among the provinces. This is for expenses of administration.

Mr. KAY: Would the minister mind leaving this over? The hon. member for Huntingdon (Mr. Robb) wishes to discuss it.

Mr. HAZEN: As hon. members know, I never object to the discussion of any matter relating to the department on any item before the committee. Still, if it is deemed more convenient to let this stand, I will accede to that request.

Mr. CARVELL: The hon. member for Huntingdon asked that it should be allowed to stand. When it comes up, perhaps the minister will be able to explain how in the world he is going to spend $25,000.

Mr. TURRIFF: Does the department charge a commission?

Mr. HAZEN: The hon. gentleman knows that there is a commissioner who administers this fund. I have all the items of this estimate before me, but there is no use taking up time with them now if the item is to be allowed to stand over.

Item stands.

Grant to Dominion Exhibition, $50,000.

Mr. OLIVER: Who gets that this year?

Mr. HAZEN: I do not think any place is going to hold a Dominion exhibition under present circumstances. The last Dominion exhibition was held in Brandon in 1913. Victoria had the grant in 1914, but war broke out on the 4th of August, and they decided to abandon the exhibition. They had incurred certain expenses and were paid $24,166.

Mr. TURRIFF: I move that the item be struck out.

Amendment negatived.

Mr. HAZEN: There are three or four items of quarantine still to be voted. There is nothing contentious about them. I have all the information about them, and I think they might be passed.

Mr. CARVELL: You are spending a quarter of a million dollars for quarantine under the Department of Agriculture?

Mr. HAZEN: Yes, that is about what we have been voting for a number of years. Last year these items amounted to $18,089. They vary little year by year.

Mr. CARVELL: This brings up the whole question of immigration.

Mr. HAZEN: No, the Department of Agriculture does not inspect the immigrants. This relates to the passengers coming in the ordinary ships. The quarantining of immigrants is carried on, as I understand it, by the Department of the Interior which has jurisdiction over immigration.

Mr. CARVELL: Better allow this to stand.

Mr. HAZEN: I have all the information here that hon. gentlemen are likely to want.

Mr. OLIVER: Perhaps the minister would allow the first item relating to salaries, etc., to stand and pass the other two. There will be no contention about that.

Quarantine—Public Works Health Act, $12,000.

Mr. CARVELL: What is this about?

[Mr. Turriff.]

Mr. HAZEN: The Public Works Health Act is a law intended to maintain sanitary conditions to protect the health of the people engaged on public works.

Progress reported.

On the motion of Mr. Hazen, the House adjourned at 11.10 p.m.

Monday, March 6, 1916.

The House met at Three o'clock, the Speaker in the Chair.

PRIVATE BILLS INTRODUCED.

Bill No. 50, for the relief of Raymond Conliffe Savage.—Mr. Douglas.

Bill No. 51, for the relief of Harry Lorne White Cunningham.—Mr. T. J. Stewart.

PRIVILEGE.

HYDRO-RADIAL SCHEME.

On the Orders of the Day:

Mr. JACQUES BUREAU (Three Rivers and St. Maurice): Mr. Speaker, I rise to a question of privilege. I read in the Toronto Star of Friday, March 3, under the heading, "Ottawa Frowns on the Hydro-Radial Scheme," the following:

> Another member of the city deputation talked of the anti-Hydro and anti-Toronto feeling in the Railway Committee. He also criticised the attitude of Col. J. A. Currie, M.P., a Toronto man, who recently returned from the front. "The antagonistic spirit to Toronto is so strong down there that you can put your finger on it," said this man; "the French-Canadian members sit there smoking their Quebec tobacco in their little old pipes, and they vote for the corporations always."

This comes, Mr. Speaker, from a Toronto man, who was a member of the deputation that came to Ottawa. Coming from a Toronto man, it is treated by me with the contempt that it deserves; I shall not say anything about it except that it is a sequel to his brain power, and nothing more. There is something graver in the same paper. The Toronto Star, under date of Saturday, March 4, contains the following, under the heading, "Toronto has Few Friends in the Railway Committee:"

> Even though it comes down to another fight before the Commons Railway Committee, the Hydro stands a good chance of winning out, in the opinion of Capt. Thomas Wallace, member for Centre York, who reached the city to-day. "All the Toronto members who were in Ottawa were at the committee, ready to put up a fight for the Hydro," Capt. Wallace stated, "and I think the Hydro should win out when all the supporters get there. The meeting last week

was poorly attended, but the next one will not be. As it seems to stand now, the most of the Ontario members on the committee will vote Hydro, while the strongest supporters of the Canadian Northern railway were the French members. They always seem to be out to hit anything Ontario wants."

I want to register my most energetic protest against this statement, and to qualify it as absolutely unfounded, unjustifiable, and unworthy of a man occupying a representative position in Canada. Let me tell this gentleman that the French members of the Railway Committee, of which I am one, sit there as representing all Canada. In their deliberations and in their judgments, they know no provincial boundaries, no parochial boundaries, no sectarian motives; to the best of their ability they devote themselves to the interests of their country. I may add that I feel deeply on this question, but at this juncture I shall say nothing more than this: I leave it to the judgment of the well-thinking and broad-minded men of this country to treat this contemptible assertion as it deserves to be treated, emanating, as it does, from a narrow mind.

WINTER COMMUNICATION WITH PRINCE EDWARD ISLAND.

On the Orders of the Day:

Mr. J. J. HUGHES: I call the attention of the Minister of Marine and Fisheries to a telegram which I have received from the Summerside Board of Trade in connection with winter communication between Prince Edward Island and the mainland. The telegram states that efforts are being made to have the steamer Prince Edward Island keep up communication between Pictou and Charlottetown, but that she is not able to do so, with the result that mails are delayed, passenger traffic seriously interrupted, and trains tied up. The telegram asks that in view of the fact that she is not able to keep up communication with Charlottetown, she be transferred at once to the Pictou-Georgetown route. I ask, what action, if any, the minister intends to take.

Mr. HAZEN: The same policy is being pursued this year as in previous years. The service is performed between Pictou and Charlottetown so long as ice and weather conditions permit. When the ice conditions become of such character that the service cannot be carried on between Charlottetown and Pictou, then the service is carried on between Summerside and Pictou. The same instructions have been given to the captain of the boat this year as in previous years, and if the condition is such as has been described by my hon. friend, and the service cannot be carried on between Charlottetown and Pictou, then the boat will be transferred to Summerside.

HILLSBOROUGH, P.E.I., BRIDGE.

On the Orders of the Day:

Mr. J. J. HUGHES: I have received a telegram stating that some time ago representations were made to the Government asking to have a guard placed on the Hillsborough bridge. This is an expensive bridge and people, fearing it may be interfered with by evil-minded persons, are very desirous that a guard should be placed there.

Mr. REID: There is one man in Prince Edward Island who seems to be raising a lot of trouble and agitating to have a guard placed on the Hillsborough bridge, and he has tried to work up some feeling on the matter. The Railway Department have received a telegram from this gentleman, and I have directed that it be forwarded to the general manager of the road, Mr. Gutelius, with instructions to investigate and, if he deems it necessary, to place a guard on the bridge. I received a telegram this morning or Saturday in respect to the same matter and I have forwarded it also to Mr. Gutelius. I find that in some cases railway bridges are guarded by the Railway Department and in others by the Justice Department, through the Dominion police. I have therefore forwarded copies of these communications to the Justice Department, with a request that they look into the situation. Thus the question of guarding this bridge will be looked into by both the Railway Department, through the general manager of the railway, and the Justice Department, through Colonel Sherwood; and if, as the result of either or both investigations, it is deemed necessary to have a guard on the bridge, one will be placed there.

ST. JOHN AND QUEBEC RAILWAY.

On the Orders of the Day:

Mr. CARVELL: I read in the St. John Standard, which is the recognized organ of the Government in that city, that a new arrangement had been made with regard to the construction of the St. John and Quebec railway. The paper states that it has been decided that the road shall not go any farther north than its present terminus

at Centreville, and shall not cross the river St. John, but shall make connection with the Canadian Pacific railway tracks at Westfield. This would involve an entirely new arrangement with this Government. I wish to ask if such a new arrangement has been made, and whether the Dominion Government has agreed to operate the road as part of the Intercolonial on the changed conditions.

Mr. REID: This matter has been under discussion between myself and some of the ministers of the New Brunswick Government, but I have not yet got the matter completed and have not brought it before council as yet. Therefore I do not think I would be justified in making any statement to-day. Probably to-morrow I shall be in a position to make a statement.

COMMANDEERING OF WHEAT.

On the Orders of the Day:

Sir WILFRID LAURIER: With reference to the report which was brought down to-day in answer to a motion made some time ago for the correspondence concerning the commandeering of wheat, I have just taken a cursory glance at the return and I have to observe that it is, on its face, absolutely incomplete. The first document brought down in point of date is an Order in Council bearing date December 18, 1915. The first paragraph of that Order in Council is in these words:

> On a report of the Minister of Trade and Commerce, representing that the Government of Canada has been requested to take into account the supplies of wheat required by the British Government and certain of the Allied governments, and to arrange for a considerable supply to be shipped during the month of December and following months, the Minister of Trade and Commerce reports that it has become necessary and advisable, and within the meaning of section 6, of the War Measures Act, 1914, to appropriate and control the wheat hereinafter described under the conditions hereinafter mentioned:

This first paragraph recites that the action of the Government was taken at the instance of some party, presumably the British Government. This refers also to a memorandum, which has no date but which was made evidently later than the 3rd of March.

> Early in the autumn of 1915, it became evident that Canada, in common with the United States and Australia, would have large surpluses of wheat for export, representations were made to the British Government with a view of interesting it and the Allied Governments in the purchase from Canada of a generous portion of the large quantities they would undoubtedly require. These representations were successful, and, on November 23, instructions were cabled to the Canadian Government by the Secretary of State for the Colonies to purchase a large quantity, delivery to begin in December and continue for the following months:

There is certainly no reason why the instructions of the Secretary of State for the Colonies should not be brought down and they are certainly covered by the Order of the House. That is not all. The next paragraph of the Order in Council to which I have already alluded reads as follows:

> The minister further reports that the action which he has taken for the above purpose is set forth in the telegram, copies of which are hereto appended, and that the instructions given in the messages signed by the Minister of Marine and Fisheries, the Minister of Railways and Canals, and the Solicitor General, were sent after consultation with him and at his request in pursuance of the proposed appropriation and control of the wheat aforesaid.

On the face of this Order in Council it is shown that certain telegrams issued by the Minister of Trade and Commerce, the Minister of Marine and Fisheries, and the Solicitor General, were appended to this Order in Council, and they certainly ought to be brought down. It is an oversight that they have not been brought down, I presume, but they should be before the House.

Sir GEORGE FOSTER: Instructions were given that these telegrams should be brought down. It is an oversight that they are not here.

Sir WILFRID LAURIER: What about the instructions of the Colonial Office?

Sir GEORGE FOSTER: I will think that over. Those instructions involve a great deal of previous correspondence, and I will have to look into that pretty carefully. My object in preparing a memorandum of the case at first was to give to my right hon. friend, and to the House, all the essential information concerning the transaction. I think my right hon. friend will find that information to be pretty full. All the Orders in Council, on which the memorandum is based, have been brought down with the exception probably of the first one; but as the second Order in Council repealed the first, and substituted itself for it on account of some inaccuracies involving no principle, or anything of that kind, I did not think it worth while to include it. However, there is no objection to bringing it down, if my right hon. friend wishes. Meanwhile I will lay this on the table, and bring the other papers down later.

PRIVATE BILL.

SECOND READING.

Bill No. 49, for the relief of Lillian May Dent.—Mr. Douglas.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

OVERSEAS FORCES.

Mr. DOUGLAS:

1. Where was the 22nd Battalion located in Amherst, in the spring of 1915?
2. When did they take possession of buildings, and how long did they remain in them?
3. How much was paid the owners of the buildings in which they were located?
4. How much was expended in fitting up the buildings by the department?
5. Were the fittings in the said buildings torn out when the 22nd Battalion left?
6. Is any battalion located in Amherst this year?
7. Is it located in the same building as the 22nd was? If not, in what buildings?
8. Has anything been spent in fitting up these buildings for this year's use? If so, how much?

Mr. HAZEN:

1. Canada Car and Foundry Company's shops.

2. March 15, 1915; moved out May 20, 1915.

3. No rent has been paid for the use of this building.

4. $21,974.76. This sum included the cost of fitting up barracks for the 22nd Battalion; also for the 6th Canadian Mounted Rifles; also stalls and stable accommodation for the horses of the last-named battalion.

5. Fittings were removed in August, 1915, and were utilized for troops in Halifax.

6. Yes; the 150th Battalion and portion of the 106th Battalion.

7. No; 150th Battalion, located in Winter Fair building, Amherst. The Winter Fair building was used this year because the Canada Car Company required their factory. The same selection could not be made last year because there is no room for the horses in the Winter Fair building, and these had to be located near the men. This condition could only obtain in the shops of the Canada Car and Foundry Company.

8. Nothing has been spent on the shops of the Canada Car and Foundry Company for the use of troops this year. There has been spent on the Winter Fair building approximately $23,000, and owing to the splendid offer of the city of Amherst to give the Government the use of the buildings until the end of the war, also supplying water free, and to avoid constantly refitting rented buildings, of which we only had temporary occupation, the department decided to fit up the Winter Fair building in a permanent manner.

Mr. BUCHANAN:

1. Is an infantry regiment for overseas service being raised at Medicine Hat, Alberta?
2. If so, who is the Commanding Officer?
3. Did he possess any previous military experience?
4. Is he a qualified officer of any rank?
5. What position did he hold in civil life prior to his appointment?

Mr. HAZEN:

1. Yes; the 175th Overseas Battalion has been authorized for Medicine Hat, Alberta.

2. Temporary Lieut.-Colonel Nelson Spencer, M.P.P., 21st Alberta Hussars, has been appointed Commanding Officer of this unit provisionally.

3 and 4. He has all the necessary qualities to become a most efficient officer, and is rapidly acquiring the necessary military training.

5. Merchant.

Mr. GRAHAM:

1. Is it true that E. Taylor, E. Pigeau, Wm. Charnock, Jas. P. Murphy, P. J. Martin, G. Marion, H. Macara and P. J. Pillie have been dropped from the 159th Battalion now on duty at North Bay?
2. If so, was it on account of a difference that arose between the said members of the militia and the department concerning non-payment of separation allowance which the men claimed was due their families?

Mr. HAZEN:

1. These men were discharged, as they refused to be sworn in.

2. Separation allowance could not be paid previous to sworn attestation, and, as these men refused to be sworn in, no separation allowance could be paid. Therefore the men were discharged.

INTERCOLONIAL RAILWAY FREIGHT RATES.

Mr. MACDONALD:

1. Have any changes by way of increases been made in the freight rates on lumber and lumber products on the Intercolonial railway?
2. If so, what were those increases?

Mr. REID:

1. Yes.

2. To make the rates east of Levis uniform with those in effect west of Levis and on the Transcontinental west of Moncton, the mileage tariff rate on line of the Intercolonial railway east of Levis on certain forest products for local consumption short haul was raised:

Distance over 5 to 80 miles, ½ cent per 100 lbs.
Distance over 80 to 90 miles, ¾ cent per 100 lbs.
Distance over 90 to 100 miles, ½ cent per 100 lbs.

IMMIGRATION.

Mr. MACDONALD.

How many immigrants came into Canada in 1915?

Mr. ROCHE: 48,466.

WAR CONTRACTS—BLANKETS, ETC.

Mr. LAMARCHE:

1. Did the Logan Brothers Company, of Renfrew, Ontario, obtain any contracts from the War Purchasing Commission since the 1st June, 1915?

2. If so, at what dates, for what goods or furnishings, at what prices, and how much did they supply?

3. How much were they paid on each contract, and on what dates were such payments made?

Mr. HAZEN: Logan Brothers have not received any orders since June 1, 1915, but as "The Renfrew Woollen Mills," the Logan Brothers have been awarded contracts.

Mr. LAMARCHE:

1. Did the Renfrew Woollen Mills, of Renfrew, Ontario, obtain any contracts from the War Purchasing Commission since the 1st June, 1915?

2. If so, at what dates, for what goods or furnishings, at what prices, and how much did they supply?

3. How much were they paid on each contract, and on what dates were such payments made?

Mr. HAZEN:

1. Yes.

2 and 3.

Date.	Order.	Price.	Deliveries.	Amount paid.
July 21, 1915	1,700 Blankets.	$ 68 per lb.	1,692	$ 4,444 00
July 22, 1915	7,000 "	68 " "	7,000	20,190 39
July 30, 1915	20,500 "	68 " "	21,897	64,062 97
Feb. 11, 1916	15,000 "	72½ " "	None.	None.
Aug. 3, 1915	35,000 yds. No. 33.	1 85 " "	35,000	64,750 00
Nov. 16, 1915	15,000 yds. No. 33.	1 85 " "	720¼	1,332 18

Payments.

Aug.	3, 1915	$ 4,146 50
"	25, 1915	20,487 89
Sept.	11, 1915	2,913 46
"	13, 1915	4,317 92
"	13, 1915	1,753 80
"	15, 1915	337 63
"	23, 1915	3,627 63
"	24, 1915	2,894 69
Oct.	7, 1915	2,036 26
		694 68
"	8, 1915	2,112 70
"	14, 1915	1,164 16
"	20, 1915	3,843 36
"	20, 1915	4,091 22
"	20, 1915	1,452 14
"	27, 1915	1,163 99
"	28, 1915	3,184 18
"	29, 1915	1,719 55
"	29, 1915	708 19
Nov.	1, 1915	2,096 95
"	1, 1915	1,727 89
"	10, 1915	1,880 86
"	10, 1915	2,041 71
"	12, 1915	1,807 36
"	17, 1915	5,312 16
"	22, 1915	3,979 37
"	23, 1915	710 86
"	25, 1915	2,631 94
"	25, 1915	3,579 73
"	30, 1915	2,311 26

Payments.

Dec.	1, 1915	1,296 76
"	2, 1915	2,902 62
"	7, 1915	2,505 50
"	9, 1915	1,167 22
"	13 1915	3,212 96
"	14, 1915	2,634 66
"	17, 1915	4,694 71
"	20, 1915	1,448 07
"	22, 1915	2,367 42
"	23, 1915	1,065 14
"	30. 1915	2,431 71
Jan.	6, 1916	4,751 16
"	6 1916	350 57
"	14, 1916	5,935 21
"	18, 1916	707 16
"	26, 1916	5 633 80
Feb.	1, 1916	2,543 78
"	2, 1916	1,066 06
"	8, 1916	3,460 20
"	10, 1916	1,108 60
"	14, 1916	2,367 59
"	16, 1916	1,952 21
"	18, 1916	1,946 19
"	19, 1916	1,565 54
"	22, 1916	1,124 34
"	23, 1916	2,068 90
"	23, 1916	1,743 57
	Total	$154,779 54

NATIONAL TRANSCONTINENTAL RAILWAY EMPLOYEES AT QUEBEC.

Mr. PAQUET:

What are the names and salaries of the employees in the offices of the Transcontinental railway at Quebec?

[Mr. Reid.]

Mr. REID:

Name.	Occupation.	Monthly salary.
Dick, Arthur,	division engineer	$ 225
Bradley, T. C.,	secretary	100
Lefebvre, W.,	res. engineer	160

Name.	Occupation.	Monthly Salary.
McGreevy, Frank,	station inspector	$ 125
Beaudet, N. R.,	res. engineer.. ..	160
Laberge, H.,	architect..	170
Legaré, Alphonse,	watchman..	60
C outier, Adjutor,	watchman..	60
Total..		$1,060

GEORGE SKEFFINGTON.

Mr. COPP:

1. Is George Skeffington, of the city of Moncton, still in the employment of the Canadian Government railways?
2. If so, in what capacity, and at what salary?
3. If he is not so employed at present, when did his employment cease, and why?

Mr. REID:

1. No.
2. Answered by No. 1.
3. July 31, 1915. Overstayed leave of absence.

GOVERNMENT ANNUITIES.

Mr. SINCLAIR:

How many annuities were sold by the Post Office Department in the year 1908, and how many in each succeeding year since that date?

Mr. CASGRAIN:

Period	Number of Anuitants.
From Sept. 31, 1908 to March 31, 1909.	80
" Mar. 31, 1909, to Mar. 31, 1910.	566
" " 31, 1910, to Mar. 31, 1911.	1,069
" " 31, 1911, to Mar. 31, 1912.	1,031
" " 31, 1912, to Mar. 31, 1913.	373
" " 31, 1913, to Mar. 31, 1914.	318
" " 31, 1914, to Mar. 31, 1915.	263
" " 31, 1915, to Mar. 2, 1916.	385

D. T. S. TYRIAN.

Mr. A. K. MACLEAN:

1. Was a contract recently entered into for the placing of bulkheads in the D.T.S. Tyrian, Halifax, N.S.?
2. If so, what are the names of the firms who tendered, to whom was the contract awarded, and at what price?
3. Has the work been completed? If not, what is the cause of delay?

Mr. REID:

1. An agreement was entered into on April 21, 1915.
2. Hogan & Co., offered to perform the work for $650, and their offer, being considered fair and reasonable by the General Superintendent of Telegraphs, was accepted.
3. Yes.

SOULANGES CANAL PIER.

Mr. BOYER:

1. How much money did Philias Doré draw from the Government for stone sold for the construction of the Soulanges canal pier?
2. What amount is still due to him?
3. Was the purchase of that stone made after tenders were called?
4. If so, what are the names of the tenderers and the amount of each?
5. What are the names of the officers and crew on board the tug Carillon, and the names of the other men who worked at the loading and carrying of such stone, with the average daily salary of each?
6. Are these men fed by the Government? If so, what is the average daily amount paid for the feeding of each?
7. What is the name of the dredge to which the tow-boat Carillon was attached?
8. What work was it engaged in, and at what place, when the said stone was transported?
9. Were the employees who unloaded that stone the same who did the loading of it?
10. If not, what are the names of such employees, and what was their average daily salary?
11. Were they also fed by the Government? If so, at what average daily cost?
12. At what place on the Soulanges canal was that stone placed?
13. Did the using of it require a fresh handling?
14. Under the superintendence of what engineers or other officers of the Government was the work of such purchasing, carrying and unloading, performed?
15. Was he a permanent or temporary employee, and what was his average daily salary?

Mr. REID:

1. $6,929.78.
2. Nothing.
3. Yes.
4. J. A. Major, of Montreal and Philias Doré, of Valleyfield.
5. Nap. Bertrand, captain; Nap. Molleur, engineer; Joseph Molleur, fireman; Alex. Menard, deckhand; Joseph Beriault, deckhand; (there was also a cook, Rosanna Bertrand).
6. No (the department supplies the cook) but the men feed themselves.
7. Dredge No. 2.
8. Widening and deepening channel at upper entrance to Soulanges canal, about 700 or 800 feet from the pier in which the said stone was used.
9. No. The stone was placed on the scows by the contractor.
10. Foreman, Adelard Royal, salary 25 cents per hour; Edmond Royal, Benjamin Gauthier, Avila Gauthier, Joseph Lalonde, Daniel Lalonde, Valmore Filiatrault, Wilbrod Legros; Joseph Lefebvre; Isidore Lecompte, Honore Miron, Xavier Dubois, Arsene Beriault; Louis Gagnon; Isaie Leroux, all at 20 cents per hour.

These men did not always work ten hours a day, nor every day in the week, and about one-third of their time was employed spreading and levelling clay brought from the dredge to form the backing of the exten-

sion pier, upon the slope of which the rip-rap stone was to be placed. When a scow load of stone was delivered at the pier the men were turned from the backing work to the unloading and placing of the stone on the slope.

11. No.

12. On the river side slope of the extension to the upper entrance pier.

13. Yes, the stone had to be taken off the scows and placed on the slope.

14. L. S. Pariseau, as engineer in charge and J. T. Lemire, as assistant engineer. Both were also supervising the dredging and the construction of the concrete protection dam at Valleyfield.

15. Permanent employees: L. S. Pariseau, salary, $200 per month; J. T. Lemire, salary $125 per month.

BONAVENTURE COUNTY MAIL SERVICE.

Mr. MARCIL:

1. Has a petition been received asking for the establishment of a rural mail route at Black Cape and Caplan, Bonaventure county?

2. If so, what has been done in the matter?

Mr. CASGRAIN:

1. Yes.

2. A petition was received on the 19th of February, 1916, for rural mail delivery from Black Cape. The matter is still under inquiry by the Post Office inspector, whose report is expected at an early date.

KILLAM, ALTA., MAIL SERVICE.

Mr. DOUGLAS:

1. Has there been an application made for the establishment of a rural mail route out of Killam, Alberta?

2. If so, what action has the Postmaster General taken on this application?

Mr. CASGRAIN:

1. Yes.

2. Tenders were invited for the performance of the proposed service but the prices asked were considered excessive and consequently action was suspended pending further offers.

FAIR WAGE BOARD.

Mr. VERVILLE:

Has the Government received any recommendations of a confidential nature or otherwise from the Imperial Government respecting a fair wage board? If so, of what nature?

Sir ROBERT BORDEN: The correspondence is of a confidential nature at present.

BREEN'S POND BREAKWATER.

Mr. WILLIAM CHISHOLM:

Were tenders called for the construction or extension of a breakwater at Breen's Pond, Antigonish county, in the year 1914? If so, how many tenders were received, from whom, and at what figures?

Mr. REID: No.

CRIBBIN'S POINT WHARF.

Mr. WILLIAM CHISHOLM:

Were tenders called for the construction of a wharf at Cribbin's Point, N.S., in the year 1914? If so, how many tenders were received, from whom, and at what figures?

Mr. REID: No.

TRACADIE HARBOUR IMPROVEMENTS.

Mr. WILLIAM CHISHOLM:

Were tenders called for improvements to Tracadie Harbour, N.S., in the year 1914? If so, how many tenders were received, from whom, and at what figures?

Mr. REID: No.

NEW ZEALAND WHEAT PURCHASE.

Mr. CARVELL:

1. When was the wheat for the Government of New Zealand purchased?

2. When was that portion sent to New Zealand shipped?

3. When was the balance sold, and at what average price per bushel?

Sir GEORGE FOSTER:

1.	250,000	bus.	on November 12, 1914.
	100,000	"	" 27, "
	40,000	"	December 1, "
	16,732.30	"	" 24, "
	1,000,000	"	(for July delivery) from day to day during January and February, 1915.
	1,406,732.30	bus.	
2.	11,920.30	bus.	on December 12, 1914.
	11,112	"	" 23, "
	281,000	"	on January 3, 1915.
	9,000	"	" 3, "
	9,000	"	" 10, "
	93,700	"	" 19, "
	47,491.10	"	July 22, "
	50,000	"	September 22, "
	504,223.40	bus.	
2.	250,000	bus.	on January 7, 1916.
	652,508.50	"	" 10, "

J. H. STEWART—AUTOMOBILE SEIZURE.

Mr. CARVELL:

1. Did the Department of Customs seize an automobile from one J. H. Stewart, of Bathurst, New Brunswick, in the month of May last?

2. If so, was the matter settled, or was the auto sold under the seizure?

3. If settled, what amount was paid by way of duty?

Mr. REID: The Department of Customs made no seizure from J. H. Stewart of Bathurst in May last. His automobile, however, was seized in June last, there having been delay in entering same at customs. The automobile was released on deposit of $375 to cover duties and penalties.

MAX DRAB.

Mr. W. M. MARTIN:

1. Is Max Drab, of Wilkie, Sask., in the employ of the Department of the Interior?
2. If so, what position does he hold, what are his duties, and what remuneration does he receive?

Mr. ROCHE: In so far as the Immigration Branch is concerned:

1. No.
2 Answered by No. 1.

REGINA INLAND REVENUE PREMISES.

Mr. W. M. MARTIN:

1. From whom does the Government rent premises in the city of Regina for the accommodation of the Inland Revenue Department, Weights and Measures Branch?
2. When were such premises rented?
3. What monthly rental is paid for such premises?

Mr. REID:

1. From the J. A. Westman Agency, Limited.
2. From 1st November, 1915, to 1st November, 1916.
3. $100 a month.

R. N. W. MOUNTED POLICE AT REGINA.

Mr. W. M. MARTIN:

1. From whom does the Government rent premises in the city of Regina for the accommodation of the town station of the Royal Northwest Mounted Police?
2. When were the said premises rented?
3. What monthly rental is paid for such premises?

Sir ROBERT BORDEN:

1. Mr. John A. Westman.
2. Leased for five years commencing 1st April, 1915, with a proviso that the lease may be terminated at any date earlier than the first day of April, 1920, in case the Royal Northwest Mounted Police Force is dispensed with by the Saskatchewan Government.
3. $100 per month.

A. A. EVANS.

Mr. W. M. MARTIN:

1. Has A. A. Evans, of Outlook, ever been in the employ of the Department of the Interior or any other Department of the Government?
2. If so, what remuneration or salary did the said Evans receive while so employed, and what remuneration does he now receive?

Mr. REID:

1. Yes. Relief work in October, 1914, five days.
2. No salary paid. Expenses only allowed.

ARCHIBALD TIBBITS.

Mr. WILLIAM CHISHOLM:

1. Is Mr. Archibald Tibbits in the employ of the Department of Marine and Fisheries or Naval service?
2. If so, what position does he occupy, when was he appointed, and at what salary?
3. Who was his predecessor in office, and what was the cause of his retirement?

Mr. HAZEN:

1. He is in the employ of the Department of Marine and Fisheries.
2. A more critical examination of the details of the work of the several Harbour Commissions in Canada, more especially those at Montreal and Quebec, which are receiving large advances on loan from the Government, was deemed necessary in the public interest.

There was, at the time, no officer in the department with the requisite experience and qualifications who could be spared for this work; hence it was decided to appoint a special officer. Mr. Tibbitts was appointed on the 14th October, 1912, at a salary of $2,400 per annum; his present salary is $2,600 per annum.

3 Answered by No. 2.

W. BADGER.

Mr. W. M. MARTIN:

1. Has one W. Badger, of Outlook or Conquest, Sask, ever been employed by the Department of the Interior or any other department of the Government?
2. Is the said W. Badger at present in the employ of the Government?
3. Was the said W. Badger employed by the Government in distributing relief and seed grain?
4. What remuneration or salary did the said Badger receive while so employed?

Mr. ROCHE:

1. Yes. The Department of the Interior, Immigration Branch.
2. No.
3. Yes.
4. Refused to accept any remuneration or salary.

HANOVER PUBLIC BUILDING.

Mr. TRUAX:

1. Who was the contractor for the Hanover public building, and what was the amount of his tender?
2. Was the contract let to the lowest tenderer?
3. Is the building completed?
4. Who was the inspector, and what amount has been paid for his services?

Mr. REID:

1. Anderson, Bath & Patchell; $28,500.
2. Yes.
3. Yes.
4. John Telford; salary, $1,808; disbursements, $2.66; total, $1,810.66.

MEDICINE HAT CUSTOMS BUILDING.

Mr. BUCHANAN:

1. What was the total amount of rental paid for premises used by the Customs Department at Medicine Hat while the federal building in that city was being reconstructed?
2. How many months were these premises occupied?
3. Who owns the premises?
4. To whom was the rent paid?

Mr. REID:

1. $1,980.
2. Twenty-four months.
3. As far as the department is aware, these premises are owned by the lessor, H. W. T. Foster.
4. H. W. T. Foster, Medicine Hat.

IMMIGRATION AGENTS AT MONTREAL.

Mr. LACHANCE:

1. What are the names of the immigration agents appointed since the 1st October, 1911, at Montreal, Quebec, when were they appointed, at what salaries, and what are their present respective salaries?
2. Are there any of them who have a right to travelling expenses? If so, what are their names, and what amount for such expenses have been paid to them?

Mr. ROCHE:

1. No immigration agent has been appointed at Montreal, Quebec, since October 1, 1911. Mr. John Hoolahan has been agent there for many years.
2. Answered by No. 1.

ICE-BREAKER CONTRACT.

Mr. VERVILLE:

1. Has the Government given by contract the erection of an ice-breaker? If so, to whom, and at what price?
2. Has the Government attached a fair wage schedule on said contract? If not, why not?

Mr. HAZEN:

1. Yes. Messrs. Canadian Vickers, Ltd., Montreal, $998,583.00.
2. There is no fair wage schedule embodied in the said contract. The matter is, however, covered by a clause in the contract as follows:

All workmen labourers or other persons who perform labour in the construction of the work hereby contracted for shall be paid such wages as are generally accepted as current from time to time during the continuance of the contract for competent workmen in the district in which the work is being performed, and if there is current rate in such district, then a fair and reasonable rate, and shall not be required to work for longer hours than those fixed by the custom of the trade in the district where the work is carried on, or if there is no custom of the trade as respects hours in the district, then fair and reasonable hours except for the protection of life or property or with the consent of the minister on due cause shown. In the event of a dispute arising as to what is the current or a fair and reasonable rate of wages or what are the current hours fixed by the customs of the trade or fair and reasonable hours, it shall be determined by the Minister of Labour, whose decision shall be final.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Lanctot.—For a return showing the names of the lawyers of the province of Quebec who have been entrusted with certain cases or given other work by the Government since the month of September, 1911; the amounts that have been asked by each of such lawyers for each case; and the amounts paid to each of them?

Mr. Buchanan.—For a return showing the different rural mail routes in the constituency of Medicine Hat, with their location and date of establishment; and also all rural mail routes now being established or under consideration at the present time in the same constituency.

Mr. Buchanan.—For a return showing the amounts contributed from the constituency of Medicine Hat for machine guns and by whom contributed or forwarded.

Mr. Buchanan.—For a copy of all correspondence, letters, telegrams and documents relating to the dismissal or resignation of Dr. W. T. Patton from the service of the Veterinary Inspection Branch of the Department of Agriculture, and his re-appointment and his later dismissal or resignation.

Mr. Murphy.—For a copy of all letters, telegrams and reports in any way connected with the investigations made at different times during the year 1915, in connection with the Toronto harbour works, under contract to the Canadian Stewart Company.

Mr. A. K. Maclean.—For a copy of all correspondence, accounts, vouchers, etc., in connection with the construction of a wharf at Shad Bay, Halifax county, N.S., in 1914 and 1915.

Mr. A. K. Maclean.—For a copy of all correspondence, accounts, vouchers, memoranda, etc., relating to the construction of a launch way and boat house at Bear Cove Beach, Halifax county, N.S., and completed in 1914.

Mr. A. W. Chisholm.—For a copy of all telegrams, letters, petitions and documents of all kinds referring in any way to the application of Mrs. Flora McIntyre, of River Dennis, Inverness county, N.S., for the Fenian Raid veteran bounty of her late husband, Angus McIntyre, late of River Denis.

Mr. A. W. Chisholm.—For a copy of all telegrams, letters, petitions and documents of all kinds in any way referring to the change in the Inverness-Margaree mail route from the west to the east of the Margaree river, from a point at Margaree Forks to Chapel Bridge.

Mr. Wm. Chisholm.—For a detailed statement of the expenditure last year at McNair's Cove, Nova Scotia, giving the names of the workmen, the number thus employed, the

amount paid to each; also the amount paid for supplies and material, and the names of the persons to whom the same was paid.

Mr. Graham.—For a return showing the amounts paid under retroactive clause of the Act providing for an impost of 50 cents per proof gallon on all spirits taken from bond between the date of the outbreak of war and the date of the passage of such Act; and also by whom paid, and the date of payment.

Mr. Boulay.—For a list of the employees in the Dominion police force, with the salary of each of them.

WAR PURCHASING COMMISSION CONTRACTS.

Mr. CARVELL moved:

For a return showing the dates, parties, quantities and values of all contracts made by the War Purchasing Commission, so-called, from its formation, down to the present date.

Sir ROBERT BORDEN: Stand.

Mr. CARVELL: I do not think this should stand.

Sir ROBERT BORDEN: It must either stand or be transferred to the debatable motions.

Mr. CARVELL: I do not want it debated; it is only a small matter, involving, perhaps, 150 pages of typewriting. I think the Prime Minister might furnish the papers. I am not asking for details; just for the names, dates, and quantities.

Sir ROBERT BORDEN: I have no knowledge of the matter except what the Chairman of the War Purchasing Commission told me. He said it would take a very long time, three months, to complete the return, if all the staff were employed on it. The operations of the War Purchasing Commission involve much detail. I think my hon. friend has no real idea of the task he is setting before the Commission.

Mr. CARVELL: Yes, I have. If the right hon. the Prime Minister will look at the resolution he will see that it calls for simply the dates, parties, quantities, and values of these contracts. So, one line across a sheet of paper will give all the information I ask with regard to each contract. Suppose that there were ten a day, that would be only three thousand, or enough to cover one hundred pages. It seems to me that a first-class clerk would get out the material needed in a day, and it could be typewritten in another day.

Sir ROBERT BORDEN: I would be glad if the hon. gentleman would speak to the chairman on the subject.

Mr. CARVELL: I will do so.

Motion stands.

PROHIBITION OF INTOXICATING LIQUORS.

PROHIBITION DURING THE WAR—PROHIBITION BY PROVINCES.

On the notice of motion:

Mr. H. H. Stevens—Proposed resolution—That, in the opinion of this House, at this time, when the Empire is at war, the conservation of the wealth and the resources of the Dominion and the promotion of the efficiency of our nation would be materially aided by the prohibition of the manufacture, importation and sale of intoxicating liquors for beverage purposes, and legislation for this purpose should be enacted forthwith.

Sir ROBERT BORDEN: Before this motion is taken up, I should like to say a word. Some gentlemen interested in the purpose of this motion, and representing the Dominion Alliance and other associations, waited upon the Government some weeks ago. At the request of the members of the Government then present, they undertook to furnish certain information as to the laws within each province, the results attained under those laws, the number of licenses, and other important particulars. The information was received, or at least a portion of it, and, as to the laws in force in the various provinces, it was supplemented by a memorandum from the Solicitor General. We have had these documents printed, and I had expected that they would be ready to lay on the table at three o'clock to-day. Unfortunately, they are not quite ready, but I am informed they will be laid on the table before six o'clock.

Mr. SPEAKER: Do I understand that it is the desire to take up also the next notice of motion on the order paper, that of the hon. member for Kings, P.E.I. (Mr. J. J. Hughes), in favour of a constitutional amendment to empower the provinces to enact prohibition laws?

Sir ROBERT BORDEN: I suppose it will be impossible to vote on both motions at the same time. If the House has no objection, it might be quite proper to discuss both motions in the one debate. I see no objection to having the discussion on this motion so general as to include everything that could be said on the other.

Mr. MARCIL: The motions will be put from the Chair separately, of course, and the debate may be allowed to extend so as to cover the matter of both motions. I sup-

pose it will be understood that the first motion is that which will be voted on.

Sir ROBERT BORDEN: The two motions could not be put by the Chair at the same time.

Mr. HENRY HERBERT STEVENS (Vancouver): Mr. Speaker, in rising to address the House this afternoon on the motion which you have just read, I realize in the first place that it deals with a matter of vast importance, and I am deeply impressed with a sense of my own limitations in discussing it. I feel that the proposed resolution might have been placed in the hands of a member of the House whose experience and influence would have enabled him to deal with the question in a very much better manner than I can hope to. I have particularly in my mind the Minister of Trade and Commerce (Sir George Foster), whose utterances on this question in the past have been of such a character as, in my opinion, to be classics amongst the oratory and literature of Canada. I should very much like to have seen this resolution in his charge. I am somewhat comforted, however, by the thought that the resolution is seconded by an hon. gentleman (Mr. Marcil) whose words in this House are always received with marked respect.

It is clear, I think, to every hon. member of the House that this question, which is of such grave national importance, is being approached from an entirely non-political standpoint. Some have called the proposed resolution revolutionary, and I shall have something to say on that point later. The subject matter of this resolution and the matters I wish to lay before the House are of such importance, that I fear I shall have to trouble the House at some considerable length, even though I do not even then hope to cover all the ground. Some phases of the question I shall touch on in only the most casual manner, leaving it to others to take up any special phase that may appeal to them.

There are two aspects to this question: the moral and the economic or social aspect, and with the moral aspect I do not intend to deal at any great length. Not because I fail to appreciate the moral importance of the question, but, as the wording of the resolution indicates, because I desire to deal particularly with its economic or social aspect. I should like to impress upon the House, however, that it is quite within the rights of any hon. member to bring up the moral aspect of any problem, and I sometimes think that the members of this House are a little too backward in emphasizing the moral aspects of problems pertaining to the welfare of the people of Canada. I think it is just as much the business of this Parliament to look after the moral health of the nation as after its commercial, economic and industrial health. I shall leave the moral aspect of the question with this one observation: A nation's moral character, like an individual's, is developed and strengthened, and beautified, not by the indulgence of its grosser appetites, but by their subjection. As a nation or as an individual, we gain in moral strength by the diligent exercise of the virtues of industry, honesty, and service, rather than by the assertion of so-called personal rights or by satisfying our whims. It is not my intention to go into this aspect of the question at any great length.

With regard to the economic aspect. This resolution, as its terms indicate, is proposed here to-day as a war measure. In considering this question as it relates to the war it is necessary for me to impress upon the House how titanic is the struggle we are engaged in, and what new factors are entering into the settlement of this war. It seems as if it would not be men, strategy, or military tactics that will decide the war, but that all the elements that go to make up a virile nation must be marshalled if we are to prove victorious. A vast army of the citizens of Canada is asking for consideration of this question, and I hold that I need not apologize to any man, nor to this House, for having submitted it for the consideration of Parliament. A great many members dislike it, and friends of mine on both sides of the House claim that it is unwise to introduce a measure of this kind. But I hold that when a large portion of the people of Canada demand consideration of a given problem, this Parliament dare not say nay. I therefore say that the personal opinion of myself or of any other member of this House has little or nothing to do with the question, and that as representatives of the people we are bound to give consideration to this problem, which to-day is demanding and holding the attention of a vast portion of the whole people of Canada. I am not voicing the wish of a few fanatics; I am voicing the opinion of a vast number of our citizens. Some say that the

intoxicating liquor evil has always existed, that the problem has never been solved in the past, and that it will never be solved in the future. For my part, I have greater faith in democracy than to think that a problem exists which democracy is not capable of solving. Let me say that, to-day more than at any other time, democracy is on trial; it is on trial at the battle-front in Europe; and if democracy cannot deal with a problem such as this, then in my estimation democracy will fail on the battle-fields of Europe, and I think the quotations which I shall give to the House in a few minutes will bear out that opinion. What other ages have failed to do I believe that we in this age are capable of doing.

I ask the indulgence of the House while I point to the opinions expressed on this question by various sections of Canada. I will give them, not in any particular order, but just as I have them jotted down from the information I had on hand. Two-thirds of Ontario is dry; or, more specifically, there are 162 municipalities without licenses, 349 municipalities under local option, and 61 municipalities under the Canada Temperance Act, or a total of 572 municipalities dry, and 279 wet. For a number of these so-called wet municipalities in Ontario, the three-fifths clause is responsible. For instance, I find that the city of Belleville gave a majority of 306 in favour of local option, Brantford a majority of 948, Port Arthur 417, Sarnia 315, Woodstock 165 and Whitby 108; all these cities and towns gave a majority in favour of prohibition or local option, but are still wet and are classed as wet by reason of the three-fifths clause. In addition to this, the Ontario Government, recognizing the will of the people as expressed in a huge petition which is about to be presented to them, have introduced in the Provincial Legislature a measure for total prohibition in the province.

Quebec is three-fourths dry: out of 1,143 municipalities or parishes, 906 are dry and 237 wet. The Premier of Quebec has also intimated that the Government is working towards prohibition.

In the province of New Brunswick, 80 per cent of the population are living under conditions known as dry; or, more precisely: of fifteen counties and three cities, nine counties and two cities are under the Canada Temperance Act; about half of the wards in the city of St. John are dry, and a large portion of the six remaining counties are also dry.

In Nova Scotia there are eighteen counties dry and one wet, namely, Halifax, and the Provincial Government have already stated that a measure will be introduced to bring Halifax under the provincial prohibition law.

Prince Edward Island is the only "all white" province in the Dominion at the present time; it is all under prohibition.

In Manitoba there are 38 municipalities without license and 49 under local option, a total of 87 dry municipalities and 71 wet. Moreover, Manitoba will, on the 13th day of March, vote on the question of provincial prohibition, and there is every indication that the measure will carry.

Saskatchewan is practically under prohibition. In the whole province liquor is sold in 23—now reduced to 20—Government shops.

Sir GEORGE FOSTER: Is liquor sold in those shops for beverage purposes?

Mr. STEVENS: Yes. The law in Saskatchewan came into force in June or July last. I would like to give some evidence of the effect of prohibition in Saskatchewan and also of the tendency of the people to close out these Government shops. In eleven cities: Regina, Moosejaw, Saskatoon, Prince Albert, Swift Current, North Battleford, Weyburn, Melville, Estevan, Humboldt and Rosetown, there were, in the months of July, August and September, 1914, 912 arrests for drunkenness; in the corresponding months of 1915, immediately after the new liquor provisions came into force, there were only 247 arrests, or a reduction of 665, an indication of how the province is progressing.

Another indication is this: Four votes, which were taken in January last on the question of whether Government shops should be opened, were defeated on the following figures:

District.	For the opening of a Government shop.	Against.
No. 23	285	1,037
No. 28	289	438
No. 37	165	843
No. 44	555	778

In three districts the following vote to close the Government shops was taken:

District.	For closing.	Against.
No. 21	476	173
No. 45	741	263
No. 46	987	487

In other words, in four districts out of seven where a vote was taken, the introduction of the shops was defeated, and in

three districts the closing of the shops was carried, which shows the tendency of the people of Saskatchewan to carry the prohibition measure to its logical conclusion.

Alberta, so far as provincial jurisdiction will permit, has gone dry.

The Government of British Columbia, on the occasion of the recent opening of the Provincial Legislature, introduced legislation for prohibition in that province.

Thus, we find that every province of Canada from the Atlantic to the Pacific has taken some steps towards the introduction of prohibition.

Some persons, in dealing with the question of prohibition, refer to it as a fad. It is not a fad; it is not the whim of certain fanatics; it is a well-recognized principle in law and practice. I do not wish to debate that point at any length as it would take up a great deal of time; I have only to remind hon. members that two years ago this House passed a law prohibiting the use of white phosphorus in the manufacture of matches, the reason given in the preamble of the Act being that white phosphorus was inimical to the health and interest of the community at large. I ask the House to consider this question of prohibition from the standpoint that it is injurious to the community at large, because a principle which applies to one phase of life should also apply to another. This resolution calls for:

> The conservation of the wealth and the resources of the Dominion and the promotion of the efficiency of our nation.

Prohibition is only one of the ways in which these can be aided, but in my estimation, it is a vastly important way. It will be my purpose to point out the opinions of some of the best posted men in the Allied nations on this subject, but first let me draw the attention of hon. members to the fact that the British Parliament not very long ago appointed the British Savings Committee, which has under its control the business of advising the nation in regard to saving. One of its recent utterances on this subject is a call to the nation to practise economy in connection with certain extravagances, and automobiles are particularly mentioned. I am calling the attention of the House to the utterances of this committee, not because they have so far made any direct utterance on the question of prohibition, because I do not think that has yet come to their attention, but simply to show the necessity of the nation at large economizing along every possible line.

4 p.m

The wealth of a nation consists of the potential value of the things which it possesses, such as its natural resources and the skill and virility of its people, and anything which interferes with the efficiency of the workers, whether they work with brain or with brawn, interferes with or lessens the wealth of the nation as a whole. Energy misdirected becomes a liability instead of an asset, and it is this phase of the question to which I invite the attention of the House.

Certain representations have been made as to the attitude of labour in reference to this problem, and I have observed that certain sections of those authorized to speak for labour have expressed views which might lead us to believe that they were not in favour of prohibition. I should like the House to bear with me while I read what I consider to be some very important letters on that point. On May 24th last a convention was held in Cleveland, Ohio, of Canadian and American railway engineers. At that convention, which represented 90,000 to 100,000 railway engineers, the following resolution was adopted:

> Be it resolved that this Board of Locomotive Engineers go on record as favouring statewide and nation-wide prohibition of intoxicating liquors as a beverage.

The word "Canada" was included in that resolution. The following is a letter written to Mr. Lawrence, who is legislative representative of the Brotherhood of Locomotive Engineers, by Mr. Berry, of Toronto, vice-president of the Order of Railway Conductors:

> Your favour of the 20th instant has been forwarded to me here, and I am indeed sorry that it reached me too late to meet your request in permitting you to say at Patriotic Appeal for Federal Prohibition meeting on the 27th instant, at which you were to represent a deputation as spokesman, that the Order of Railway Conductors as an organization are in favour of the movement.
>
> While it is too late to advise you for use at the meeting above referred to, I assure you, Brother Lawrence, that the undersigned is in favour of any movement that will do away with the manufacture and use of alcoholic liquors, and I am quite sure that the order will acquiesce in my position in this connection.

I quote the last paragraph of a letter written to Mr. Lawrence by Mr. A. E. Barker, the grand president of Maintenance of Way

men, an organization which covers Canada and the United States:

I have pleasure in saying that this organization wishes to go on record as being in favour of the movement; and this letter will be your authority so to state.

Mr. G. D. Robertson, third vice-president of the Order of Railway Telegraphers, has expressed sentiments which should have considerable weight with members of the House. Writing to Mr. Lawrence he says:

I am informed that a deputation of prohibition workers are expecting to meet the Premier on January 27th in connection with the Patriotic Appeal for Federal Prohibition in Canada.

If opportunity offers, I would be glad to have you also speak for me as representing the Order of Railroad Telegraphers.

The undersigned is heartily in favour of the total prohibition of the manufacture and sale of intoxicating liquor in Canada, except in such quantities as may be necessary for medicinal and scientific purposes. While this question has not been specially referred to our men in Canada for an official opinion, I know that the sentiments above expressed voice the opinions of a very large proportion of our members. Our laws specifically deal with the temperance question, inasmuch as they provide that the excessive use of liquor is sufficient to debar any man from membership. Our members have for many years past ceased to look for any protection from the organization if dismissed by their employer for drinking on duty. These two facts pretty clearly indicate the popular feeling of Canadian telegraphers on the subject. The co-operation of railway managers and the various organizations in each doing what they could to discourage habitual drinking among employees has brought greatly increased safety to the travelling public of Canada. The moral, social and financial advancement of the employees directly concerned has been very marked.

For the sake of the men whom he serves, as well as for the good of society generally, the undersigned will be glad to lend such assistance as he is able to bring about the total abolition of the manufacture and sale of liquor in this country.

I have another letter written to Mr. Lawrence by James Thordock, Vice-President of the Brotherhood of Railway Trainmen, and which reads:

I have just arrived home to-day for the first time this year, and find your letter of the 20th advising me that a deputation would wait upon the Premier of Canada on the 27th of January in the interest of a patriotic appeal for federal prohibition.

I have not of course, had opportunity to sound the views of our Canadian membership on this subject, but, knowing them as I do, would feel safe in expressing the earnest conviction that the great majority of our 10,000 members in Canada would be in hearty sympathy with total and effective war time prohibition.

My own personal view is that the Government could do no more effective act at the present time than to authorize prohibition during the continuance of the war, at least so that labouring men and all concerned in the Dominion might at all times feel sure of being sober of thought, of speech and of action, and with determination, be the better prepared to further British Empire interest in the paramount question that we as Canadians and as British subjects have before us.

My further personal view is that if federal prohibition was to be made effective during war time conditions, such prohibition should also prohibit the manufacture.

Would very much like to be with you tomorrow for the purpose of lending my personal support in connection with this very commendable and desirable undertaking.

I have another letter written to myself by Mr. William L. Best, legislative representative of the Brotherhood of Locomotive Firemen and Engineers. I trust that the House will bear with me while I read this letter; it is the last that I shall read upon this phase of the subject. The writer represents the views of a labour union which has been brought to the highest point of efficiency, and which seeks to secure for its members a degree of protection which exceeds that sought for by any union in this or any other country. The letter is:

Having observed, with keen interest, your proposed resolution to Parliament, calling for Dominion wide prohibition of the manufacture, importation and sale of intoxicating liquors for beverage purposes, permit me to convey to you my sincere appreciation of the importance of this proposed measure and to assure you of my unqualified endorsation of the legislation contemplated therein.

Realizing the fact that the vocation of locomotive enginemen involves ceaseless peril, and that it is a duty we owe ourselves, our employers and those dependent upon us for safe and comfortable transit, to guard in every manner against those disasters which frequently overtake us on the railway, the necessity of rendering the highest efficiency of service, of being careful and sober, becomes self-evident; hence the Brotherhood of Locomotive Firemen and Enginemen, an organization of 90,000 members on this continent, has adopted as one of the cardinal principles in its motto, Sobriety. This principle is further emphasized in article No. 28, section 4 of its Constitution, as follows:

"Section 4. (a) Any member dealing in intoxicating liquors shall be expelled from the order.

(b) Any member who shall use intoxicating liquors to excess, or who shall be found guilty of drunkenness shall, upon proof thereof, be suspended or expelled."

The operating rules for use for Canadian railways, which have been approved by the Board of Railway Commissioners for Canada, contain the following rule:—

"Rule G. The use of intoxicants by employees while on duty is prohibited. Their use or the frequenting of places where they are sold is sufficient cause for dismissal."

These are arbitrary rules, but they have been found necessary by experience. As I have already stated, these views deserve

the careful attention of hon. members of the House.

The letter goes on:

If this declaration of policy on the part of operating officials and employees of railways, against intoxicating liquors, is essential to the highest railroad efficiency and the greatest measure of safety to the travelling public, then it would seem equally essential to the highest efficiency in, and conservation of, all other industrial enterprises throughout the Dominion. This being true, it would further seem that, at this time of stress and strain, when every available resource was being taxed to its maximum limit in order to call forth the highest national efficiency in the protection of those high ideals for which our Empire is struggling to maintain, it is an economic folly to further permit the existence of a traffic which has so retarded industrial development, and impaired human efficiency, while making a few men rich and making many thousands poor.

Hundreds of our Canadian railway men were amongst the first to offer their services in defence of those great principles involved in the titanic struggle in which the Empire is engaged, and many of them have already made the supreme sacrifice of their lives upon the altar of loyalty and patriotism.

Therefore, I have the very highest commendation for the splendid results that have thus far crowned the untiring efforts of our military, and other national leaders. But it has sometimes occurred to me that this military spirit engendered by this awful European conflict has had a tendency to cause some of our legislators to, in some measure, exaggerate the need of guns, munitions, money and battleships when the question of national defence is being considered. In my humble judgement, national defence does not altogether depent upon guns, munitions, money and dreadnoughts alone—essential as these are to our liberty—but in the productive capacity, the industrial efficiency, the character and christian fortitude of the men who work on our farms, in our factories, on our railways, and in other industrial enterprises; men who are well equipped for all the duties of the highest type of citizenship. This seems most essential in this great world conflict, and it is equally essential in times of peace.

I feel sure that every Member of Parliament realizes—perhaps more than ever before—that the object and duty of every good Government is to advocate and promote that which will be for the general welfare of the people by the encouragement and protection of whatever makes for the public good, and that it is equally their duty to discourage, suppress, and if possible exterminate, whatever tends to the public disadvantage.

Again complimenting you on your proposed measure, and wishing the contemplated legislation the most favourable consideration and approval by the Government,

I remain,
Very truly yours,
Wm. L. Best.

Canadian Legislative Representative, Brotherhood of Locomotive Firemen and Enginemen.

Those sentiments, expressed by this representative of labour, are worthy of the utterance of the highest statesmen of any land, and well merits our consideration. These letters are the expressed opinions of the men in Canada best able to judge of what is in the interest of labour, and I invite this House to the careful consideration of these words from such a representative source.

The other evening, at a meeting of a labour organization, the question was asked: Why not pay attention first to the elimination of child labour and the betterment of labour conditions for children and women? Mr. Speaker, if we eliminate—and I am not talking cant or nonsense, but sober truth—if we eliminate the liquor business from Canada or from any other nation, we will take the greatest step forward towards the elimination of child labour, or conditions of labour for women that are inconsistent with their position in society, and strike the greatest blow that could be struck at child labour and other deplorable things.

I wish to direct the attention of the House to what our Allies have been doing about prohibition. I feel a little jealous for Canada; I feel that Canadians, a young and virile people, ought to be in the vanguard rather than lagging behind in any problem which is considered of importance in this great war. I find that Russia has done a great deal in connection with prohibition in the interest of the efficiency of the nation, and again I am going to ask the House to bear with me while I quote certain views which will, I think, influence the House a great deal more than any words which I could speak. The right hon. David Lloyd George said in September last:

Russia has enormously increased her resources by repressing the sale of alcoholic liquors. It is hardly realized that by that means alone she has increased the productivity of her labour by something between 30 and 50 per cent. It is as if she had added millions of labourers to her labour reserve.

These are the words of the Right Hon. David Lloyd George, who has given, not only since the war broke out but prior to the war, acute study to the conditions of labour and to industrial problems, and I do not think there is a member in this House who would dare stand in his place and question the opinion of Mr. Lloyd George on these subjects, because his opinion is backed up by accomplishments which were thought to be an utter impossibility before the outbreak of war. Therefore, I quote his opinion with a great deal of confidence. I quote further the opinion of Mr. Bark, the Finance Minister of Russia, as the words of a man who has the responsibility of handling the finances

and directing the financial affairs of 170,000,000 people. Mr. Bark, in May last, said:

Prohibition of vodka has had a wonderful effect on the moral and economic conditions in Russia. Savings banks deposits have been augmented by leaps and bounds. The increase had been from 34,000,000 roubles in 1913, to 84,000,000 roubles in 1914. But the moral effect was even more considerable. The output of factories has enormously increased. Home life has become more beautiful and more secure. Throughout Russia crime has diminished to a dwindling point. Even if I desired to remove this prohibition I should not be allowed to do so. The people would refuse to allow this evil thing to come upon them again.

These are the words of the Finance Minister of Russia, spoken officially and as a result of an experience of almost a year of prohibition. I need not remind the House that the liquor business in Russia, prior to the outbreak of war, was a Government monopoly yielding a revenue of $500,000,000 annually. This huge revenue was wiped out by one stroke of the pen, because it was apparent to the Czar and his advisors that the efficiency of the nation had been so undermined as to make them incapable of doing their part in this war.

I have further statements by Mr. Bark, which I wish to read. On March 1 of this year he again referred to this question. The words I quoted a moment ago were uttered on May 15, 1915, and surely if the prohibition of vodka was of any injury to the nation, it would have been felt during that period of nearly a year. On March 1 of this year, just about six days ago, in introducing the Russian Budget officially in the Douma, he made the following observations:

Bank deposits reached the unprecedented figure of 800,000,000 roubles.

Something that was never known in the history of Russia before.

And a little later on you will see what brought that about. The Finance Minister, explaining the Budget, said it was expected to realize more than 500,000,000 roubles from new sources of revenue created by the state of war. He had such confidence in the spirit of the Russian people to make permanent—

I ask the House to mark this:

—the advantages gained by temperance, he added that he was loading himself with the heavy responsibility of drafting urgent legislation and devising taxes to cover the diminution of receipts caused by the cessation of the sale of liquor, so as to avoid all temptation to return to the past. War expenditure would compel the nation to face heavy deficits, but there existed means of restoring the Budget ballot by strict economy and by development of the nation's production of resources. To this end the Government was devising taxation of such a nature as to give free scope to the economic independence of Russia. The Finance Minister emphasized the importance of the enormous increase in the savings bank deposits, which was observable among all the states of the nation.

In another statement given to the Associated Press by the Russian Minister of Finance—I must apologize to hon. members for wearying them with these quotations, but I think they are of sufficient importance to warrant our consideration—he had this to say of the capability of Russia to deal with the situation:

"Russia's finances rest upon the most solid foundations in the world," said the minister—"the economic prosperity of the Russian people, which is now greater than was ever conceived possible before the beginning of the war. Thus, while the masses of the German people are reduced by war to poverty, every month of the war has enriched the Russians.

"The optimistic statements concerning Germany's financial status have deceived but few. On the other hand, there is nothing illusory or specious about the Russian's prosperity. It rests upon the incontrovertible fact of the Russian peoples' increased earnings and savings.

"This is accounted for principally by the growing thrift and economy of the peasants since the enforcement of prohibition, by their greater earning powers and the higher wages they command."

Let us now give a moment's consideration to the situation in the Mother Country in connection with this problem. Last summer a large deputation of British shipmasters and ship owners waited upon the Government, and particularly upon the Right Hon. Lloyd George. According to the White Paper in which the record is given, not a single member of that deputation was a teetotaller, and yet they made the statement soberly and upon their responsibility as owners of large ship-building concerns, that eighty per cent of the lost time in the ship-building yards was due to drink, and they urged upon the Government the necessity of introducing prohibitory laws. It is well known that the Government of Great Britain did introduce some restrictive measures, but it has been pointed out to the British Government time and again that these measures are not sufficient to deal successfully with the problem. In reply to that delegation the Right Hon. Lloyd George made the famous statement:

We are fighting Germany, Austria, and drink, and so far as I can see the greatest of these deadly foes is drink.

I have the names of that delegation here, but I will not trouble to read them. Representing, as I have said, the leading shipbuilding concerns, they pointed out to the Government that the restrictive measures

which had been adopted were not sufficient, that they were not accomplishing what was desired, namely, efficiency and sobriety, among the workers of the shipyards; and the statement was made, I think with absolute truth, that the loss of time was very largely due to drunkenness. Sir, the increased wages of the workers of Great Britain, which in one sense have been a blessing, were turning out to be a curse, in so far as they were leading the men into the greater use of intoxicating liquors, and consequent increased drunkenness.

In France, the manufacture and sale of absinthe and other strong liquors have been prohibited, and I need not weary the House with further quotations dealing with the problem in that country.

I shall draw the attention of the House to some figures relating to the economic phase of this problem, as it refers to Great Britain and to Canada. In 1913, the last normal year, the British people spent £166,000,000 on intoxicating liquors, while they spent only £80,000,000 on bread, and £74,000,000 on the army and navy. Let us consider these figures for a moment. Prior to the outbreak of war, we heard a great deal of adverse comment on the huge expenditures on armaments, and the British Parliament was urged to curtail these expenditures. The total expenditure on armaments, was, as I have said, £74,000,000, while the annual expenditure on intoxicating liquors was £166,000,000, more than double the amount spent on the army and the navy. In other words, the expenditure on liquors exceeded all the expenditures on the army and navy and on bread by £12,000,000.

As regard Canada, I have some figures which I wish the House to consider. The consumption of liquor for the year ending March 31, 1914, was 67,000,000 gallons, at a cost of $103,000,000. In this House at the present time, we are endeavouring to devise ways and means of providing sufficient funds to enable us to carry on our part in the great war, and our friends of the Opposition have, from time to time, offered suggestions and criticism on that subject. But, Mr. Speaker, here we have a sum spent upon a luxury, or, to put the best construction upon it, upon a whim, the sum of $103,000,000, enough in itself to enable us to contribute a large share towards the conduct of the war.

Let me say a word on the subject from an industrial standpoint. We are told that if prohibition is brought about a large number of men will be thrown out of work, and that capital investments will be destroyed. What are the facts? We find that the capital investment in brewing and distilling in Canada is $43,237,000, and that in other industries the capital investment is $1,204,000,000. When we consider the question of employees we find that the number of people employed in brewing and distilling in the whole of Canada is 4,688, while in other industries the number employed is 466,438. In other words, for every person employed in brewing and distilling there is $9,223 of capital invested, while in other manufacturing industries for every person employed there is only $2,582 in capital invested. I shall have something to say a little later on this question of vested interests.

I come to another phase of the question, which is probably the reason for objection to prohibition more than any other, and that is the cry of personal liberty. I have received, as I presume almost every member of this House has received, sheaves of cheaply printed literature signed by the Personal Liberty League, but giving no names. This literature is circulated with the object of stirring up in the minds of the people of this country opposition to prohibition on the ground that such a measure aims at the sacred personal rights of individuals in this country. I have just this to say: that those persons who talk of personal liberty have mistaken the name; they are asking not for personal liberty, but for personal license. They are asking for the license individually to do things which may be injurious to society as a whole. I hold that there is no such thing as personal liberty apart from a person's social responsibilities. When the practice of an individual right, or an institution founded upon it, becomes a great social problem, or when it directly affects the welfare of the nation, then the whole of society has a right to step in and decide to what extent that institution or practice shall be allowed. Let me give an illustrative incident. Two years ago last Christmas, in Vancouver, I was called to the police station. The chief of police had in charge a woman and her four children, three little boys and a little girl, and he wanted to know what we could do to help these people. I asked him what was the matter, and I ask any hon. member in this House, or anybody out of this House, to say whether he will place his personal liberty before his social responsibility to justify in action in the light of the facts

that I was then given. The husband of this woman and father of the children was a sober and industrious man for ninety per cent of his time, but about once a year he was likely to get off on a spree. He came into town on Christmas Eve to buy his children's Christmas cheer—this is not "sob stuff," as Mrs. Nellie McClung calls it, but is plain, simple fact. I know the man, and know that what I say of him is true. He had not had a drink for over a year; he was a man of provident habits, and had some little savings in his pocket. But the temptation of the open grog-shop was too much for him, and he got drunk, and in his drunken state of incapacity and irresponsibility he struck a policeman, which is a serious offence. He was brought up in the police court and sentenced to six months in prison. The result, of course, was that the family was deprived of its breadwinner, and this in the winter and during particularly hard times. That is not all. The children went to school, and the other children pointed their fingers at Johnny and Tommy and the rest; their father was a jail-bird. Now, I contend that a sober man, capable of controlling himself, has no right to plead his personal liberty—his personal license as I call it—as a reason for maintaining an institution whose operation brings about such a state of affairs for an innocent woman and her children. There is no argument strong enough to persuade me that such a condition is permissible, if it is within our power to obliterate it. And how can we obliterate it? Had there been no grog-shops staring that poor fellow in the face, he could have remained sober, for as I tell you he only got drunk once in a long while, when the temptation was too strong for him.

I have another illustration in connection with this argument of personal liberty. Shortly after the outbreak of the war, His Majesty the King said that so far as he and his household was concerned, in the interest of the efficiency of the nation in time of stress, liquor would be abolished. I do not think we can do better than follow the example of the King. The King made his personal liberty subservient to the social welfare; and I repeat that there is no such thing as personal liberty apart from social responsibility. That is a doctrine that we cannot insist upon too strongly. Another argument put forward is that prohibition should not be advanced when "the boys" are away at the front. I admit that that is a strong argument when looked at in a casual way. But do the boys at the front expect us to suspend our responsibility in dealing with public problems? I think that on the contrary they expect us to concentrate the brain and energy of the nation into practical efficiency for the support of the boys who are fighting our battles. I do not suggest that we should take advantage of the absence of the boys at the front and pass some very far-reaching measure, giving them no opportunity to express their views upon it. Therefore it is that I propose, to the House and to the Government—and I trust they are going to act on this resolution—that the Government shall bring down the necessary legislation to give effect to the well-defined and well-expressed views of the people at this time, making provision in that legislation for submitting it to a vote when the boys come back, so that they can take part in confirming it or repealing it as the case may be. I would not deny to the boys at the front the right of voting on this question as a permanent measure, but I do say that it is our duty to deal with the problem in the interim and as a war measure. They talk about revolutionary measures; but what about the revolutionary measure put into effect by the British Parliament in connection with the English railways. In Great Britain to-day the railways are controlled, directed and administered by a committee of the Government; and I am told on the highest authority that the sentiment is spreading in favour of nationalizing the railways because of the success of the "experiment" undertaken during the period of this war. Why, the very war is a revolutionary war, and everything in connection with it is more or less revolutionary. There is no danger of revolution if you meet a problem and tackle it; what brings about revolution is the accumulation of wrongs and evils. Look back into history, and you will find that it was not one evil, not one action of the Government, but an accumulation of evils and wrongs, that has brought about every revolution. I lay upon this House the responsibility of dealing with this question now and, not seeking shelter in the shadow of the boys who are fighting our battles. They are doing their work nobly; as Mr. Best said in his letter, they are making the supreme sacrifice, while we sit here in comparative ease. It is for us to make our sacrifice, of personal liberty in the interests of the nation, just as the boys at the front are making their sacrifice.

I come now to the question of compensa-

tion, which has been put forward as an insuperable difficulty. We hear of "vested interests"; and these are covered with a cloak which seems to justify putting them in a class with rights and privileges which must not be tampered with and which must hardly be spoken of except in a suppressed tone. But compensation, I think, is not a serious problem. As a matter of fact, the difficulty is largely solved for us. In Britain they are taking over the whiskey distilleries for the purpose of manufacturing denatured alcohol. Furthermore, the British Government for reasons which I shall not dwell upon now has placed a ban upon the importation of barley for the purpose of manufacturing liquor. I suggest to the Government for their serious consideration the abolition of "the booze", while providing reasonable safeguards for vested interests. I propose that this shall be done by the Government taking over the distillleries of Canada and nationalizing them as a new industry for the production of denatured alcohol and spirits for industrial purposes. That may sound like a revolutionary suggestion, but let us consider it for a moment. Here is a new industry, the manufacture of denatured alcohol. It has been demonstrated by science that a gallon of alcohol is equal to a gallon of gasolene in power. I learn that in Great Britain some of the distilleries have been for years manufacturing starch, and the alcohol, which is a by-product, and which costs 8 cents a gallon to manufacture, has been largely going to waste. As the result of the discoveries of scientists in the last few years it has been found that alcohol can be successfully used in internal combustion engines. In Canada, we import petrol, gasolene and other materials for internal combustion engines, whereas there is going to waste upon the farms and in the cities of Canada sufficient refuse of various kinds out of which to manufacture all the alcohol necessary to supply our needs in this line. I hope I shall not weary the House if I read briefly to show how we can take another leaf out of Russia's book:

> The Russian Ministry of Finance is offering a series of prizes for inventions relating to the use of alcohol, and covering a varied field of investigation. The various prizes offered are as follows: Three prizes of 50,000 roubles for a satisfactory method of denaturing alcohol. Three prizes of 100,000 roubles for a new product derived from alcohol. Three prizes of 75,000 roubles for a new method of applying alcohol to the preparation of a product in which it, or its derivatives, constitute a part. Three prizes of 50,000 roubles for new methods for the application of alcohol in an industry in which the spirit, or its derivatives, serve as a transitory dissolving agent, or an extracting or precipitating substance. Four prizes of 175,000 roubles for an apparatus for utilizing alcohol for feeding internal combustion engines. Four prizes of 175,000 roubles for improvements in apparatus relating to utilizing alcohol as fuel. Four prizes of 100,000 roubles for apparatus for applying alcohol to lighting purposes.

I have quoted this to show what Russia is doing, and I lay on this Government the responsibility of developing an industry in Canada for which Canada is peculiarly fitted. There is no reason in the world why the Dominion Government should not take advantage of this opportunity to do two things: To solve the compensation question with regard to these distillers and their vested rights, and, before any more vested rights are established, to nationalize a new industry for this country. If we do not do that, in a year or two we shall be putting Bills through this Parliament incorporating such and such a company for the manufacture of denatured alcohol, and the first thing we know the country will be dotted with factories for this purpose; large vested interests will be created, and the opportunity for the Government taking over the industry will have vanished. I again urge the Government to seize this opportunity to deal with this important question, and to prevent such a happening as I have described. What are other countries doing? France has made long contracts with distillers and brewers for motor spirits. Germany, in 1914, consumed 26,000,000 gallons of alcohol for motor spirits. This means a great deal to the farmer; it means cheaper power, light, and heat, and a larger market for his waste products.

Another suggestion has been made with regard to this question of prohibition, and that is, that we should leave it to the provinces. Some one says, "Oh, this is a matter for the provinces to deal with, not the Dominion Government; let us leave it to them, and they can deal with as they think fit." With all respect for those who hold this view, I submit that it is simply a subterfuge. If I remember rightly, the Government presided over by the right hon. gentleman who now leads the Opposition took a plebiscite throughout Canada in 1898, and the reason why that plebiscite was not given effect to—I am speaking subject to correction—was that one of the provinces, or possibly two, gave a majority against prohibition. I am not questioning the action of hon. gentlemen at that time

at all; I simply wish to point out that the intimation then went throughout Canada, whether authorized or not, that when the provinces got into line it would be time enough for the Dominion Government to take action. That was the sentiment of those opposed to prohibition at that time. Now that the provinces are in line, they say: "Oh, let us leave this question to the provinces." But that is not the whole story. A provincial government has a very limited jurisdiction in the matter of prohibition; it can only prohibit the sale of liquor within its boundaries; it cannot prohibit the importation of liquor into private houses, nor can it prohibit the manufacture of liquor within the province. It is therefore a very meagre jurisdiction that the provinces possess as to prohibition. I am also informed that the Governments of Manitoba, Saskatchewan and Alberta, when they met not long ago, passed a resolution instructing the premiers of those provinces to ask the Government of Canada for Dominion-wide prohibition. Whether they have approached the Government I do not know, and I have not had time to ascertain, but this I do know, that throughout Canada, from the Atlantic to the Pacific, there is a demand for implementing legislation on this subject. "Implementing" is a good word. It was used in this House a few years ago with great effect. There is, I repeat, a demand throughout this country for implementing legislation to give effect to the will of the people in those provinces. I am not wedded to any particular manner in which the Government should solve this question, nor do I stick to the exact wording of my resolution. There is, I think, a desire on the part of those behind this resolution—and they form a very large portion of the population—to give the Government a free hand in framing legislation to give effect to their wishes. At the same time I contend that the argument that we should leave this question to the provinces is not a sound one, nor one that should be given any consideration.

I have detained the House at a greater length than I intended, and I have possibly wearied you, Mr. Speaker, by reading from the opinions of others. But I quoted these for the purpose of reinforcing my own views with the opinions of men in a position to know, and whose voice I think will be heeded by this House. Democracy, I repeat, is on trial at the present time. This war means that democracy will be established or it will fall, and I believe it is up to us in Canada—in my estimation the most democratic of all people—to grapple with this problem, to face it without flinching, to deal with it to the best of our knowledge and ability. I place on this House the responsibility of heeding the call of the people of Canada, as expressed time and again in the votes of the people in different sections of the country. From one end of Canada to the other a vast majority of the people have spoken for a prohibitory measure of some kind. I place on the House the responsibilty of giving expression to these views and the responsibility of making such provision in the suppression of the liquor traffic as will make the nation as efficient as it can possibly be made. I urge the Government to grapple with this problem in connection with the distilling interests. I do not think there is any insuperable difficulty. Problems are solved by grappling with them, not by turning aside, and dodging them. I believe that this House is capable of dealing with this question, and that the majority of the members of this House are anxious to deal with it. I trust that before we adjourn the day's sitting we shall come to some decision in the matter. My proposal, therefore, is that this resolution be passed by this House, and that the Government at this session bring down the necessary legislation to give effect to it; that one year after the war, if desired, provision be made for a confirming plebiscite making the law permanent; that the Government take over all distilleries in Canada for the purpose of manufacturing denatured alcohol for industrial or medicinal purposes, and that the manufacture of such alcohol be made a national monopoly, thus changing a non-productive and wasteful institution into a productive and beneficial national industry.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I have very much pleasure in seconding this proposed resolution. I wish to thank the hon. member for Vancouver (Mr. Stevens) for his kind words in regard to myself. Coming from the far east I am delighted to have the opportunity of seconding a resolution moved by a member from the far west, thus showing that on this great question Canada is united. The majority of the Canadian people realize that at this moment we are passing through probably the greatest crisis in our history. We are face to face with the greatest problem we have ever had to tackle. We have a Budget this year proposing an expenditure of $425,000,000, and we do not

know what the extent of our obligations next year may be. Within another twelve months we may have 500,000 young Canadians fighting under the flag, and we do not yet know the amount that we shall be called upon to pay, not only in money, which is of secondary importance, but in blood and in the lives of the flower of our young men. This great circumstance calls for great action and great measures. For myself, I voted on the Dominion plebiscite against prohibition in the province of Quebec, but to-day I realize that I have a great duty to fulfil towards my constituents who have taken unanimous action in favour of prohibition, and when I consider the action taken by the various provinces throughout the Dominion, I feel justified in saying that we have to-day a mandate to act upon these questions and that it is our imperative duty to act promptly. We have taken it upon ourselves to assist England in the great struggle in which she is engaged and to vote millions of dollars without formally consulting the people, but we felt from the outset that we had the nation behind us. At the present time I feel equally sure that the people will support us on this question, and I speak freely, as a convert probably to the idea, but I speak in the interest of the country, feeling within me that I have the interest of Canada at heart. During the last fifteen years I have given many votes in this House; I have assisted, along with 150 or more gentlemen who now no longer sit in this House, in passing measures for the framing of new provinces, for the construction and development of transcontinental railways, for the formation of banks and insurance companies, for making the St. Lawrence and other waterways of Canada second to none in the world, and for doing all that we thought was in the interest of the welfare, commercial prosperity and happiness of the nation. But, Sir, I consider that the duty I am now undertaking is probably the most important that I have discharged during all that period. I realize that this is the greatest question that we have before us for solution at the present time, and that not only from its financial aspect, but more especially from its moral aspect. I am glad to know that I represent the feeling of my people, because in 1898 the province of Quebec gave a decided vote against prohibition, to which vote I will refer later on; but I am now in a position to show that there has been in my province a tremendous change of sentiment in regard to this question, and I will produce evidence showing that on this question, as on all other questions relating to the welfare of Canada, Quebec is prepared to shoulder her share of responsibility. We have heard from seven or eight of the provinces of Canada; we shall hear more from the province of Quebec when the time comes.

I have accepted the honour of seconding this resolution on the invitation of members of the Dominion Alliance, which for years has been working for the cause of temperance throughout Canada. Canada, as we know, is inhabited by people of various creeds and various nationalities. We differ on many questions, but prohibition is one upon which we can all agree, because on the solution of this problem rests the efficiency of the nation.

5 p.m. I have been asked to second this resolution by men who belong to various walks of life, men who are of different nationalities and different creeds. The House will pardon me if I read the petition which they have placed in my hands, but it is well worth reading and its language explains the problem better than could any words of mine. This petition is signed by some of the leading citizens of Canada, by some of the great employers of labour, by members of the judiciary, by men who have given this important question years of study. It is a fortunate occurrence, now that the Dominion is brought face to face with this question, that it was in the city of Montreal in 1875 that the Dominion Alliance for the Suppression of the Liquor Traffic was formed, and while Ontario and the other English-speaking provinces have since been taking the lead, it will be well to remember that this movement originated in Montreal.

This petition, which contains all the arguments necessary to impel this House and the Government to take action immediately, reads:

A Patriotic Appeal for Federal Prohibition.

To the Editor:

On the 4th December last a very instructive address was delivered at the Canadian Club, Ottawa, by Hon. R. H. Brand, C.M.G., of London, on "How England is paying for the war and how Canada can help."

The speaker explained the enormous financial burdens which Britain is carrying, and that only by rigid economy and by increasing the wealth-producing powers of the country, would Canada be able to help.

How to attain this end should be the aim of Government and people.

While not directly indicating the manner in which Canada could accomplish this, he referred to the enormous waste from drink, stating that in 1913 the British expenditure on drink amounted to $830,000,000, besides the loss of thousands of tons of barley and the productive employment of tens of thousands of men, "and the final result is that all this drink goes down the people's throat and nothing is left."

Mr. Brand was too courteous to apply this to Canada, but left the application for us.

The expenditure on liquor in Canada runs into many millions. It is not only absolutely wasted, but, as Mr. Brand states, it also takes away from productive employment thousands of men.

What, then, is the remedy?

Pass a prohibitory law to remain in force during the war and for a reconstruction period of three years thereafter, at which time let the question of repeal be submitted to the people.

Russia, France and, to a limited extent England, have acted on these lines with beneficial results.

Prior to the war, in these countries public sentiment was overwhelmingly opposed to any such legislation, but under the stress of war conditions their leaders did not hesitate to act.

Are our leaders in Canada less courageous, less patriotic than the Czar of Russia, the President of France, or the Premier and Lloyd George in England?

In these countries they braved an antagonistic sentiment.

In Canada, even before the war, public sentiment expressed in the plebiscite years ago decided in favour of prohibition. Since then, public opinion has been manifestly growing stronger in its favour.

British Columbia is now demanding the right to restrict the liquor traffic.

Alberta has decided in favour of prohibition. So has Saskatchewan.

Manitoba is ripe for it, and there both political parties are outbidding each other in this direction.

Ontario has now liquor sold in only about 300 municipalities out of 850.

In Quebec, out of 1,143 municipalities over 900 are without a license, and the number is still increasing, as witness the voting in the last few weeks in Lachine, Three Rivers and Argenteuil.

New Brunswick, excepting four or five counties, is, under prohibition.

In Nova Scotia no liquor is allowed to be sold in the entire province, except in the city of Halifax, and none whatever in Prince Edward Island.

What stronger evidence is required?

By one simple act of legislation following the overwhelming sentiment of the country, Parliament can save millions of dollars of waste, can by one stroke enormously add to the productive wealth of the country, and do more to increase the power of Canada to help the Empire than by any other legislation it may enact; in helping the Empire it will benefit our own people.

Two hundred thousand young Canadians have left their homes, friends, and all their business interests, to endure the hardships of war, to fight and if need be to die for the Empire. Shall those left at home not do everything possible to strengthen their hands and help them to win? The little self-denial imposed by such an Act will enable Canada to vastly increase her power to help.

Will our leaders, forgetting party and remembering only Canada and the Empire, support such a measure? Canada awaits with confidence their answer.

Signed on behalf of the committee.

J. R. Booth (Ottawa)
Wm. C. Edwards (Ottawa)
E. Lafontaine (Montreal)
Président de la Ligue Anti-alcoholique de Montreal.
Fred. H. Deacon (Toronto)
Geo. H. Millen (Hull)
Stuart J. Carter (Montreal)
Hiram Robinson (Ottawa)
Honorary Chairman.
A. W. Fraser (Ottawa)
Chairman.
J. W. Hennessy (Fort Coulonge, P.Q.), Vice-Chairman.
Edward Seybold (Ottawa)
Secretary.

I find in this petition the gist of the whole question. We are told that there is in this country an enormous waste in connection with alcohol, and that the time has come to deal with the question. On this circular we have the names of some of the most competent men in Canada. The first name that I read was that of Mr. J. R. Booth. I have heard Mr. Booth mentioned in this House during the last fifteen years as one of the most enterprising and far-seeing men. He has built railways; he has developed immense industries; he has employed thousands of men; he is in a better position than anybody else to know the injurious effects of alcohol. Senator W. C. Edwards, whose name is second on the list, also is a man who is entitled to particular respect; he also has had opportunities of a similar nature. This circular was accompanied by another, which also was forwarded to all the newspapers in Canada. It reads as follows:

On Saturday last the appeal to the political leaders of both parties in Canada was made to introduce and carry a prohibitory Act during the war and a reconstruction period of three years thereafter when the question of repeal can be submitted to the people.

If, as pointed out on that occasion, a great responsibility rests on the leaders as well as a great opportunity for Empire service, the responsibility of the people is none the less.

The war expenditure in Canada during last year amounted to about $175,000,000. For the present year this expenditure is estimated at $225,000,000 for an army of 200,000 men. But in Sir Robert L. Borden's New Year message the call has gone forth for 500,000 men. What, then, will be the financial expenditure? It must of necessity be much greater than the above

estimate. How is Canada to meet this tremendous strain on her financial resources?

The answer is plain—we must economize. Every wasteful expenditure must be cut out. We must also strain every energy to increase the wealth-producing power of the people.

It is estimated that the annual loss in Canada through the liquor traffic is about $150,000,000. By the passing of such an Act this great loss can be avoided and a saving to the country can be made equal to more than one-half of the estimated war expenditure. Are the free-born citizens of Canada equal to this sacrifice?—a sacrifice cheerfully made by the nobility and peasantry alike in Russia.

Our political leaders may be willing to lead in this great patriotic movement, but they must be supported by Parliament and the people.

What, then, is the duty of the people? Let the citizens call upon the senators and members to grant this legislation. Let every constituency act. Let the churches, the temperance organizations, the boards of trade, Canadian clubs, and other local bodies in each constituency make clear to their member their desire for such legislation.

As soon as the answer of the member is obtained advise our secretary, so that the central committee may know upon whom to rely.

If the people of Canada are in earnest, as we believe they are, on this question, a united effort in every province brought to bear on our public representatives will produce the desired result.

Let the people act.

This, I think, was the inception of the present movement to bring the question before this House. The circular is couched in moderate language; it is supported by arguments which are irrefutable; it is entitled to respect. Even if nothing had taken place since this movement was inaugurated but what has happened in this great province of Ontario, I think those who promoted the movement have every reason to feel proud of what they have done.

The Prime Minister has impressed upon us the urgent need of economy; the urgent need of taking every possible step which will enable us better to bear the burdens laid upon us by our participation in the great cause of Empire. I remember reading some few weeks ago a speech delivered by the Honourable Minister of Trade and Commerce (Sir George Foster), in which he also referred to the urgent need of national and personal economy In speaking as they did both hon. gentlemen gave expression to the views which have prevailed on the other side of the water. When this war was declaraed the destinies of the British Empire were, to a great extent, placed in the hands of Kitchener. When the Republicans of France undertook to combat practically the whole of Europe the organizer of their victories was Carnot. To-day Kitchener fills practically the same position for England. He has been entrusted with the task of organizing the victory, of raising, supplying and equipping the armies, and of maintaining them at the front. Less than a week ago Lord Kitchener delivered a speech at the Guildhall in London. I should like to read a few paragraphs from that speech to impress the House, if possible, with the authority of a great man whose words apply to Canada as they apply to the other side of the water, because they are true, and are based on common sense. Lord Kitchener said:

We want just as many men as we can get as soldiers. We are bound to take all the men that can possibly be spared from industry, agriculture and commerce.

We cannot produce all our ordinary peace time requirements. Either the population must go short of many things or the army must go short of munitions and other indispensable things.

Are civilians prepared to let brothers in the trenches endure hardships while they are not ready to make small sacrifices of harder work, increased effort and increased economy?

Every war problem teaches the same lesson. First, if we employ less labour, meeting the wants of the civilian population, we release more men for fighting. Secondly, if we import less for consumption we lessen the difficulties of sea transport. Thirdly, we relieve serious congestion at our docks. Fourthly, we relieve the congestion of our railways. Fifthly, the general reduction of the consumption of commodities by civilians limits the increase in the cost of living. Lastly, less consumption sets free labour and capital which make what armies need.

Referring to his remarks, the press report says:

Lord Kitchener appealed for economy in everything, particularly in coal, foodstuffs, intoxicating liquors, petrol and oils, tea, coffee and tobacco and clothing of all kinds, especially woollen articles.

In another part of his speech he said:

As a representative of the army in the field, I want to appeal on their behalf to the civilian army at home to play their part strenuously. Whether the army in the field, who are entirely dependent on the civilian army for food, equipment, and munitions, can get those things in sufficient quantities depends absolutely and entirely on whether every man and woman at home shows the utmost energy in production and the utmost economy in consumption. Any failure in this respect helps the enemy to win just as much as the soldier who refuses to do his utmost in the field of battle.

The question is how all these things can be done at the same time, how we can take millions of men from their workshops and farms and yet provide for all the needs of the civil population and the army millions in the field If those left behind only work as hard as they did before and all the consumers consume as they did before the war, our problem will be insoluble.

Hitherto we have filled the gap by vast importations, but the Chancellor of the Exchequer and other financial authorities impress us with the vital necessity of reducing our imports.

The dilemma is that either the civilians must go short of things which they are accustomed to in peace times or the armies must go short of munitions and other indispensable supplies. Which is it to be?

The reading of that simple statement, Mr. Speaker, should place the question in a very fair light. We are in the same position as they are in England; when we realize what the outcome of this struggle may mean to us, we are in practically the same position as they are. Surely we can give up our whisky at a moment when our children, our brothers, our sons, our relatives, are shedding their blood for the cause of Empire. The time has come for the civilians of Canada, even, if necessary, at the cost of great sacrifice, to show that those who, by circumstances of age or for other reasons, have been unable to join the boys at the front, are animated by the same patriotic spirit which is evidenced by those who have gone to the scene of battle.

Permit me, Mr. Speaker, to read a paragraph from a speech delivered by Mr. McKenna at the same gathering. He said:

The only method is the diversion of capital and labour which are now engaged in peace services for the nation to employment for the army and navy.

Every one, he said, ought to take stock of his daily habits and see what he could give up. What was needed now was to teach the people to postpone their expenditures.

And the Right Hon. A. J. Balfour, speaking on the same occasion, made this statement:

The question of personal expenditure was a difficult and delicate one. It was easy to lecture other people, but what was important was to make every man understand that he should examine his own expenditure to see how much in the national interest he could cut it down. It was for the man who benefited from additional income derived from the war to show why this expenditure should not be postponed until the war was ended.

The time has come for Canada to economize, not only in public matters but in the daily routine of every day life. There is no man within the sound of my voice who will not admit that drinking is a luxury and of course if we were to stop at that argument there would be a great argument in favour of doing away with the liquor traffic. But the moral consequences that have followed in the train of liquor are well known to every member. One of the last things I did in the old House of Commons —and I am sorry that the book was destroyed by the fire—was to spend an evening reading the admirable speech made by the Minister of Trade and Commerce (Sir George Foster) in 1884 when he introduced a resolution in this House in favour of prohibition. That effort was a classic masterpiece which I read with the greatest delight and in which I found the inspiration for many of the arguments I am advancing to-day. If he failed in those days there is no reason why to-day, under war conditions and changed public sentiment, he should not succeed. If no action is taken now, I am satisfied that by the close of another twelve months the people of Canada will take such a determined stand on this question that action will have to be taken because our economic circumstances and our realization of the necessity for saving every dollar, would make us blush if we continued to waste $100,000,000 or $125,000,000 a year on a luxury. When we are preaching economy to the people and asking our boys to enlist for the war and to risk their lives, if we have not the courage to do away with this luxury I think we are not worthy of the position we occupy. I shall not weary the House by reading all the statistics of the cost of liquor in Canada, but I shall venture to give the totals. The latest report shows that the total quantity of intoxicating liquors entered for consumption in Canada for the fiscal year ended March 31, 1915, was 56,797,704 gallons. After consultation with experienced men, the following prices have been taken as a reasonable basis for a calculation to ascertain the amount actually paid by the consumers for the quantities of liquor upon which duty is collected:

Canadian spirits	$6 00
Imported spirits	8 00
Canadian malt liquors	0 70
Imported malt liquors	2 00
Imported wines	5 00

The application of these estimates to the quantities already quoted will give the following table as the expenditure on intoxicating liquors in the Dominion of Canada for the year:

Canadian spirits	$24,126,540
Imported spirits	23,775,496
Canadian malt liquors	33,569,163
Imported malt liquors	2,122,130
Imported wines	3,938,325
	$87,531,654

The official Government estimate made by the Inland Revenue Department of the quantity of liquor taken for consumption during the year, gives the following as the average for every thousand persons:

	Gallons.
Sprits	872
Beer	6,071
Wine	95
	7,038

If the total expenditure for drink as above stated is divided by the figures for the population of Canada, as shown by the Government's estimate made at the beginning of the fiscal year under consideration, it will be found that the actual per capita expenditure for intoxicating liquor was $10.84 as against $12.72 in 1915.

It is not a very big sacrifice, to ask a Canadian who has at heart the interest of his country and the triumph of this Empire to abstain from this reckless waste of money, money that could be so well used for other purposes in the great cause for which we are fighting. The hon. member for Vancouver (Mr. Stevens) has gone so fully into many of the arguments in favour of this motion that I shall omit many of the arguments which I intended to advance, as I do not wish to weary the House and many other hon. members desire to speak.

We have made efforts of various kinds in Canada to cope with this question. The various provinces, during the last 30 or 40 years, have taken all the measures that could possibly be taken by them for the purpose of putting down this evil. The people in my own province especially have always taken the broad view that in this matter the great change could best be brought about by the inculcation of sentiments of temperance, by persuasion rather than by coercive measures. I am glad to say that to-day an immense change has taken place, that more than 900 municipalities in the province of Quebec have already gone dry, and that 42 out of the 72 constituencies in Quebec have taken that stand. In the provinces we have always had to contend with the fact that as long as the manufacture and importation of liquor is not stopped, it is practically impossible for the provincial authorities to put the traffic down. They can prevent the sale, they can refuse to issue licenses, but they are unable to prevent its importation into the province. In the province of Prince Edward Island, which is the sole province in Canada where they have prohibition for the whole province, they are at the mercy of our Federal Legislation. They can prevent the sale of liquor, they can refuse to issue licenses, but they cannot prevent the importation of liquor and it is imported into the province. The same thing happens in Nova Scotia. The people of Nova Scotia by an overwhelming majority have declared in favour of prohibition. The same thing has happened in New Brunswick, in Ontario and Manitoba, and so on all the way to the coast.

Therefore, the duty of the Federal Government is imperative. If for no other reason than as a war reason, we should act now. We have had liquor for a long time. There is no hon. member within the hearing of my voice who cannot, on a moment's reflection, recall all the evil and all the harm that has been done by it in his own environment, say among the boys whom he knew at school. Let him give a moment's thought to the solution of this great question. If we have tried liquor for many years in this country, why should we not try to abstain from it for three years, at least while we have a death struggle on; and if in three years from now the Canadian people, in their senses, with these boys coming back, covered with laurels, from the field, feel that they must repeal this legislation, then let them do it freely. But my contention is that after three years of prohibition the people of this country would never repeal it. I am not asking for an innovation, for anything of a startling character. I have here statements from two men who represent fairly well the Conservative and the Liberal views, at least of the English-speaking part of the people of this country, and I shall quote them. One is the hon. the Minister of Trade and Commerce who said on September 9, 1915, at the Insurance Underwriters Association banquet:

> I confess to you that every time I see the open bar and see the young soldiers of this country coming out and going in, every time I pass the open bar and see the unemployed who, perchance, have got a day's employment, making a bee line for the bar, I confess that my soul cries out for the closed bar in this great Canada.

Then the leader of the Opposition in the Ontario Legislature, Mr. Rowell, speaking on the same occasion, said:

> If we have in our midst to-day an institution which is demanding sums of money for its perpetuation and is giving no return in value, but is impairing the earning capacity of the men who go there, there is only one patriotic duty for every patriotic citizen: that to the extent of his ability that curse will be wiped out, the curse of the open bar. Russia has had the courage to do it; France has largely undertaken the task; some sections of our own country are doing it; in Great Britain they have cut down the hours to five and a half. Let us have the courage in this supreme hour of crisis to rise to the height necessary in order that this thing shall be done, and done promptly.

I have here an extract from one of the leading newspapers of Ontario, the Toronto Globe, which represents Liberal opinion in that province. The Globe quotes a few lines from the Spectator of London, one of

the most influential of English periodicals, which had said this:

We must economize, and the only great national economy open to us is the cutting off, root and branch, of our expenditure on intoxicants. If we do not, our waste on the non-necessity of alcohol will undo us even more surely than the force and brand of Germany and Austria.

If we mean to win the war, we must prohibit the use of intoxicants in order to save money and get more munitions. * * * The sellers of intoxicants warn the nation off their preserves. Yet the ministers know as well as we do that the only great saving attainable would be from prohibition.

Commenting on these utterances, the Toronto Globe calls for legislation both provincial and Dominion, in a very strong editorial, in which are the following paragraphs:

Let the King's ministers, in Ottawa as at Westminster, note that word. Its meaning is as large, its alternative of failure as perilous, and the imperative of its "must" as uncompromising for Canada as for Britain. What answer has the Dominion Government, what answer can it have, to the protest, in these war times, that last year 275,000,000 pounds of foodstuffs were destroyed in the distilleries and breweries of Canada in order to produce some 66,000,000 gallons of intoxicating liquors with an estimated value of more than $103,000,000? The most authoritative voice in the journalism of British respectability calls out for what? For "prohibition during the war." Will the King's ministers at Ottawa listen?

I shall now quote a few lines from a lecture delivered by Professor Cudmore, the professor of economics in the University of Toronto. This lecture was delivered before the Royal Canadian Institute and in it he described the position of Canada, from an economic point of view, at the present time, and pictured what it would be in a year or two. He said:

Canada should save at least $500,000,000 a year during the war to hold up her end of the financial burden. The economy of the British people will have to be extended to Canada as well. Instead of expecting money from England to finance our munitions industry Canadian capital should be used to relieve the mother country of the additional strain. The $100,000,000 loan raised last November was just a small part of what Canada will have to do. By cutting down the luxuries and by rigid economy Canada's national saving should be increased from $200,000,000 to a sum two and a half times that size.

This great issue has also been summarized very briefly by the Pioneer, the organ of the temperance organizations in the province of Ontario, and I shall give the summary to the House. It reads:

The biggest question in Canadian politics today is the question of the liquor traffic. The remedying of the evils of intemperance would be the greatest boon that any legislative body could confer upon the country.

To set the powers, and purposes, and resources of this country free to grapple with other social problems, the settlement of the liquor question is necessary; because the drink traffic stands in the way of every progressive movement, and while it is approved by law it will be an influence for evil in every department of life with which it comes in contact.

By it religious work is handicapped, domestic happiness is impaired, poverty is induced, crime is promoted, political life is corrupted, honest business is defrauded, and physical and mental efficiency is lessened, to the loss of the nation as a whole, and the ruin of thousands of individuals who otherwise would be self-supporting citizens and a strength to the nation, but who are now miserable parasites, a weakness and a discredit to the community of which they form a part.

Since we are taking up this question chiefly as an economic question, I wish to quote from Canadian Finance, a newspaper published in Winnipeg, a few observations on the economics of prohibition. This paper said:

A question that many are looking at from a new angle in days of war is that of the liquor traffic. Even those who heretofore have held out for non-interference with what the individual puts down his own thoat, are asking whether the community burden of the drink habit should not be sloughed off by the majority's will. That Great Britain has temporized in its dealing with so deeprooted a problem—despite acute experience of its drag upon national efficiency in time of stress—need not necessarily deter a younger country from more radical treatment.

It is not to be denied that many individuals and some lines of trade will be acutely disturbed by ending the liquor trade as an organized business. But the liquor interests attempt an impossible task when they seek to prove that the net economic result of banishing their trade would not be a gain to the community as a whole.

The ending of the war will badly dislocate the business of manufacturing munitions in Great Britain—will leave much plant and equipment idle if not useless, and put thousands of men to the necessity of seeking other work. Yet what manufacturer of munitions, however seized with the importance of war profits, could delude himself by thinking it possible to delude the public into believing its economic weal dependent upon the war's continuance.

From the viewpoint of national economics there are two possible kinds of manufacturing. The first is where the joint employment of labor and capital results in commodities which contribute in turn directly or indirectly to further production—whether they be machinery for factories, partially worked materials for more finished products, food and clothing for workers, or even luxuries contributing to the healthful enjoyment of life. (Happiness has a more real place in economics than some of the schoolmen would have us believe.) The second kind of manufacturing is where the labor and capital together bring forth that which conduces to waste or actual destruction.

In considering the effect to the world of business of making a plow, there are to be

taken into account not merely the direct returns upon the labor and capital employed in its manufacture; there is the sum total of the economic services rendered by the plow as long as it is used in farming. Indeed, it is really by anticipating, or discounting, these in part that the manufacturing process receives its direct return. The plow pays for itself by economic service.

Very different is the case of an instrument of destruction—say, a field gun. It is true that capital and labor get their direct returns in its making; but, the completed article destroys instead of adds to wealth, or to mankind's wealth-producing power. Therefore whatever gain comes to the world of trade from its manufacture and sale must have reckoned against it the later waste directly or indirectly caused —and the net result is apt to be very much minus.

Again, suppose twenty thousand dollars to be spent in building an incinerator for the sole purpose of burning up some thousands of bushels of perfectly good grain each year—the ashes being dumped around the city in such a way as to interfere materially with its cleanliness and the community's comfort. Would it be possible to find final economic justification for this whole process on the grounds that the farmer was duly paid for his grain, the manufacturer for his bricks, the mine operator for his coal, the railroad for its transportation, the bricklayer, the furnace stoker and others for their labour—even supposing the resultant ashes were no worse than merely useless?

In place of the suppositious grain incinerator, consider the economic processes connected with a distillery or brewery. Is its output from use of grain and other raw materials better or worse than ashes—from the whole public's standpoint? It is not necessary to take the extremist's view, that absolutely no benefit or legitimate enjoyment results from the drinking of whisky or beer. But who is bold enough to assert that the harm wrought in a community does not vastly outweigh benefits derived therefrom—and does not overbalance also the trade contributions of the manufacturing and distributing processes? Especially when it is considered that—after some temporary business dislocation—the capital and labour used could be turned ultimately to more productive service.

The last official Dominion census indicates that for every million dollars of capital invested in the manufacturing of intoxicants, under $55,000 is paid annually in wages. A similar amount of capital employed in the making of bread, etc., involves the paying of practically four times that amount in wages—while in the making of clothing a corresponding investment results in wage payments of about $525,000, or a showing almost tenfold that of the liquor business. For every million dollars invested in the making of liquor, Dominion official census figures show 87 employees. For other manufacturing processes the comparative figures are: iron and steel 302, bread, etc., 523, boots and shoes, 684, clothing 1,239.

This, I think, goes far to prove that from an economic standpoint the manufacture of liquor is not an advantage, far from it, that it is more to be considered as a bane to the country.

I come to another phase of the question, to which I alluded a moment ago. Parliament has discussed this question many times—in 1884, on a motion of the present Minister of Trade and Commerce (Mr. Foster), in 1889, and in 1892. Parliament never voted down a resolution in favour of prohibition, but it has adopted that resolution on three different occasions—of course, with a rider added to it; that the resolution should be given effect to only when it had been adopted by the people. The resolution is as follows, and it contains, I think, all the arguments necessary to support its adoption:

That the object of good government is to promote the general welfare of the people by a careful encouragement and protection of whatever makes for the public good, and by equally careful discouragement and suppression of whatever tends to the public disadvantage.

That the traffic in alcoholic liquors as beverages is productive of serious injury to the moral, social and industrial welfare of the people of Canada.

That despite all preceding legislation, the evils of intemperance remain so vast in magnitude, so wide in extent, and so destructive in effect, as to constitute a social peril and a national menace.

That this House is of the opinion, for the reasons hereinbefore set forth, that the right and most effectual legislative remedy for these evils is to be found in the enactment and enforcement of a law prohibiting the importation, manufacture and sale of intoxicating liquors for beverage purposes.

On the motion of Mr. Thomas White, the resolution was amended by adding the following words:

And this House is prepared, so soon as public opinion will sufficiently sustain stringent measures, to promote such legislation so far as the same is within the competency of the Parliament of Canada.

This amendment was adopted by 124 votes against 40. In 1898, the administration of the right hon. Sir Wilfrid Laurier gave effect to the wishes of the people by calling for a Dominion referendum on the subject of prohibition. I am sorry to say that on that occasion the people of Canada did not seem to have attached to the question the importance which they attach to it to-day. But Canada was not then face to face with the conditions which now confront us. Not more than half the voters cast their ballots in this referendum. A summary of the voting on that occasion is as follows:

Ontario—	
For prohibition	154,498
Against prohibition	115,284
Majority for prohibition.	39,214
Quebec—	
For	28,436
Against	122,750
Majority against	94,324

Nova Scotia—	
For	34,678
Against	5,370
Majority for	29,308
New Brunswick—	
For	26,919
Against	9,575
Majority for	17,344
Prince Edward Island—	
For	9,461
Against	1,146
Majority for	8,315
Manitoba—	
For	12,419
Against	2,978
Majority for	9,441
British Columbia—	
For	5,731
Against	4,756
Majority for	975
North West Territories—	
For	6,238
Against	2,824
Majority for	3,414
Total for prohibition	278,380
Total against prohibition	264,693
Majority for prohibition	108,011
Majority against prohibition	94,344
Net majority for prohibition	13,667

The Government of that day decided that, in view of the small majority, and in view also of the decided stand that had been taken by the province of Quebec on the question, it would not be wise to bring in a Dominion Prohibition Act, and so the matter was allowed to stand as it was. But I wish to give to the House some idea of the great progress that has been made in the province of Quebec since this adverse vote was given on the 28th of September, 1898. On that occasion Quebec declared against prohibition by a majority of 94,324. We have in the province of Quebec 72 constituencies in the local House, and of these 44 have "gone dry" as follows:

Argenteuil, Bagot, Beauce, Bellechasse, Bonaventure, Brome, Champlain, Charlevoix No. 1, Charlevoix No. 2, Chateauguay, Chicoutimi, Dorchester, Drummond, Gaspé No. 2, Huntingdon, Iles-de-la-Madelaine, Kamouraska, Lac Megantic, Lac St. Jean No. 1, Lac St. Jean No. 2, Levis, L'Islet, Lotbinière, Maskinonge, Matane No. 1, Matane No. 2, Megantic, Montmagny, Montmorency No. 2, Nicolet, Pontiac, Portneuf, Richelieu, Richmond, Rimouski, Saguenay, Stanstead, St. Hyacinthe, St. Maurice, Temiscaming, Temiscouata, Wolfe, Wright, Yamaska.

This shows that the great majorities of constituencies in the province of Quebec, of their own volition, have adopted prohibition, and have carried it into effect by the action of their county councils or otherwise. This shows a tremendous change in public opinion; and I am satisfied that if there were a referendum to-morrow in Quebec on the subject of prohibition, especially at this moment, the reform would be adopted by an overwhelming majority. In support of this, I desire to give further evidence.

If prohibition has made tremendous headway in the province of Quebec, it is largely due to the efforts of the Roman Catholic clergy. In former days, the Dominion Alliance and other prohibition organizations were recruited largely from those of the Protestant faith. Of course, the Roman Catholic church has always favoured temperance not only in liquor but in everything else. But in the last few years, in the province of Quebec, they have taken a decided stand. At the head of the Roman Catholic clergy in the province is the Archbishop of Quebec, Monseigneur Roy, who is the acting assistant to His Eminence, Cardinal Begin, head of the Roman Catholic church in Canada. I wrote to Monseigneur Roy and sent him a copy of this resolution, asking his opinion upon it. His answer is as follows:

Archbishopric of Quebec,
February 20, 1916.

Dear Sir,—This is about my opinion on the Stevens motion:

1. The prohibition movement is serious, profound and irresistible.

2. The manufacture and sale of intoxicating liquors in the present conditions certainly constitutes one of the worst plagues of the country.

3. Public opinion, properly enlightened and directed, has expressed itself thereon with a clearness and a persistency which can leave no doubt.

4. To establish the prohibition regime in the rural parts and small towns, and have the trade free in the large centres, is a grave error and opposed to common sense.

5. The present war furnishes an excellent opportunity for the Government and Parliament to intervene to deliver us from a public plague, and throw off the degrading yoke of the manufacturers and dealers in alcoholic liquors.

6. The 240 municipalities and towns of the diocese of Quebec have of their own free will voted for prohibition Alone, the city of Quebec stands as the supreme entrenchment of the enemy, driven away from everywhere else. Still, four-fifths of the population of Quebec want prohibition.

Conclusion: The Parliament at Ottawa will meet the wishes of the very large majority of the Canadian people if it places the whole country under the beneficent regime of prohibition. Please accept, dear Sir, with my congratulations, the assurance of my personal esteem and of my entire devotion to the cause which you wish to serve.

(Sgd.) P. E. Roy,
Arch. de Sel.

Hon. Charles Marcil, M.P.,
Ottawa.

Here we have in the Eastern Townships of Quebec a Bishop of the Roman Catholic Church who is in a position to give a judgment on the question from the standpoint of both French and English residents of that province. His Lordship, the Bishop of Sherbrooke, sent me a copy of the following letter addressed to Mr. A. W. Fraser, Chairman of the Committee on "A Patriotic Appeal for Federal Prohibition:"

Sherbrooke, 24th January, 1916.

Dear Sir,—Answering your letter of 17th inst., I beg to say I am one with you and the other members of your committee in believing our Federal Parliament ought to adopt a law of "prohibition during the war and a reconstruction period of three years thereafter."

A powerful, irresistible prohibition wave is gradually sweeping the country. What a blessing, therefore, would it not be if our Federal legislators were to cover the whole field by the single stroke of a law such as proposed by your committee. That such a law with provisions made for industrial, medicinal and liturgy's requirements would prove acceptable to the great mass of the Canadian people, is my honest and intimate conviction.

Hoping our legislators may think as you and I do on this most important question, I remain,

Dear Sir,

Yours in Jesus Christ,

(Signé) x Paul, Bishop of Sherbrooke.

The Bishop of Three Rivers writes the following:

Bishopric of Three Rivers,
January 26, 1916.

Hon. Charles Marcil, M.P.:

Sir,—I have read the Stevens motion, which you have communicated to me, and which you are to second on the invitation of the temperance societies. I do not hesitate to tell you that I would be very satisfied with a law so prohibiting the manufacture, importation, and sale of intoxicating liquors.

It is understood that the wine necessary for the Holy Sacrifice will be excepted.

I have the honour to be, Sir,

Your humble and devoted servant,

x F. X., Bishop of Three Rivers.

The Bishop of St. Hyacinthe writes:

Bishopric of St. Hyacinthe,
January 26, 1916.

Mr. Charles Marcil,
Member for Bonaventure,
House of Commons,
Ottawa, Ont.

Sir,—In answer to your letter of the 25th of this month, I wish to tell you that I am favourable to a law prohibiting the sale of intoxicating liquors in the whole Dominion of Canada. Still, that law should contain the necessary exceptions for the needs of worship, medicine, and industry. The present circumstances seem to demand the adoption of such a law destined to promote the public good. Moreover, in all the provinces of Canada public sentiment is favourable, by a majority, to this wholesome law of prohibition. I have the honour to be, with great consideration, your humble and devoted servant.

x A. X., Bishop of St. Hyacinthe.

The Bishop of Rimouski writes myself and Mr. Fraser the following letter:—

Bishopric of Rimouski,
January 24, 1915.

Mr. A. W. Fraser,
Ottawa.

Sir,—I have read your communication of the 17th inst., as well as the patriotic appeal for a Federal prohibition law for liquor during the time of the war in particular. I desire to inform you that I am favourable to such a project, and that I will give it all the help I can. It seems to me that it is of the highest importance, even under all circumstances, to favour and protect our people against all temptation, the dangers and the incalculable abuses of intoxicating liquors With such sentiments,

I remain, Sir,

Your most obedient servant,

x Andre Albert Blais,
Bishop of Rimouski.

The Bishop of Joliette writes:

Joliette, Que., January 21st, 1916.

A. W. Fraser, Esq., Chairman,
Committee of the Patriotic Appeal for Federal Prohibition, Ottawa.

Dear Sir,—I beg to acknowledge receipt of a copy of the Patriotic Appeal of your committee, with your favour of the 17th inst.

I would cheerfully give my approval to the movement, with the proviso mentioned in your letter regarding alcohol for industrial and medicinal purposes, and including also, in those exceptions, what is necessary for ecclesiastical or ministerial functions.

In the diocese of Joliette, we anticipate, after a plebiscite in every parish, a total suppression of the legal commerce of spirituous liquors, as it is now in the diocese of Three Rivers. We would be glad to see this temperance movement reinforced by an Act of the Federal Government.

I beg to remain,

Yours respectfully,

(Sgd) x Guillaume Forbes,
Bishop of Joliette.

I also wish to give an important testimony as to the disastrous effects of alcohol. This is from the city of Montreal, which by the very nature of things will remain the last stronghold of liquor in Quebec. It is in Montreal that the trade is the most strongly entrenched, and the large firms and the powerful influence in that city will of course combat prohibition as long as it possible for them to do so. The effects of liquor to-day in the city of Montreal is judged by no person better than the sheriff, who is in charge of the new jail which the province of Quebec has erected at great expense at Bordeaux. Hundreds and hundreds of the poor unfortunates of this unholy traffic are kept interned in that jail. The sheriff of Montreal writes:

Office of the Sheriff,
Montreal, February 1, 1916.

Hon. Charles Marcil, M.P.,
House of Commons,
Ottawa.

Dear Sir,—The question of prohibition will soon be discussed in the House of Commons. On this subject allow me to tell you what alcohol has done to people in the Montreal prison.

In 1915, out of 6,288 condemnations, 1951 were for drunkenness. Out of 5,101 sent to prison, 1,642 were sent there for drunkenness or 32 per cent. Three hundred and thirty-nine women were condemned for drunkenness.

What of the other offences for which delinquents have been specifically condemned: 75 per cent of these offences were committed by persons under the influence. The four cases of homicide reported in the statistics in the district of Montreal were committed while under the influence of liquor.

Alcohol plays such a large part in the prison statistics, that once it was removed there would be but few prisoners. My office as sheriff of the largest district in Canada has enabled me to ascertain this.

I have the honour to be yours truly,

L. J. Lemieux, M.D.,
Sheriff.

In addition to the evidence I have submitted, I have received from a large number of municpalities and societies all through the province of Quebec a resolution which is identical in terms. I will read it and then give the names of the municipalities and societies which have declared for it. The resolution reads:

That this council approves the resolution for prohibition of alcoholic liquors in Canada during the war, and for a period of three years after the war is over for the reconstruction of the country, and that a copy of this resolution be forwarded to the Right Hon. Sir Robert Borden, Sir Wilfrid Laurier, Hon. Mr. Marcil, and to the member of our constituency.

The following bodies approve of the resolution:

Council Notre Dame de Mont Carmel, Co. St. John; Cercle Agricole de Maniwaki, Que.; Temperance Society, Maniwaki, Que.; Township of Roxton, Que.; Council of Roxton Falls, Que.; Notre Dame de Mont Carmel, Que.; Village of Yamachiche, Que; Temperance Society, St. Georges de Henryville, Que.; Parish of Ste. Ursule, Que.; Town of Pointe Claire, Que; Town of Megantic, Que; Council of St. Denis sur Richelieu, Que.; Medical Society District of Richelieu, Que.; Council Parish St. Mathieu (St. Maurice), Que.; Village of Massueville, Que.; Village of St. Joseph de Richelieu, Que.; Parish of St. Joseph de Richelieu, Que.; Council of St. Boniface de Shawinigan, Que.; Parish of St. Damase, Que.; Council of Stanbridge Station, Que.; Anti-alcoholic League, Longueuil, Que.; Council Parish of St. Marcel, Que.

In addition to these petitions from my own province, I have been honoured by receiving from the province of Ontario two other communications which were sent to me direct, and which I would like to place upon Hansard, as I believe they agree pretty fairly with the trend of opinion in that province. The first of these petitions is from the town of Renfrew, which is represented in this House by the hon. member for South Renfrew (Mr. Graham). I had the pleasure recently, on the invitation of the citizens of that locality, of visiting Renfrew, for the purpose of assisting that noble work, the Canadian Patriotic Fund. The town of Renfrew, which has a population of 4,250, and from which liquor has been banished for the last five years, has subscribed this year $42,000 to the Canadian Patriotic Fund, thus at one stroke placing itself at the head of the communities of Canada as regards contributions. We were received in a magnificent temperance hotel erected by the citizens, and men and women, young and old, said that the day liquor was banished from Renfrew was a blessing to that community. This is the resolution:

Renfrew, February 23, 1916.

Hon. Chas. Marcil,
House of Commons,
Ottawa, Ont.

At a meeting of the members of the Baptist Church, Renfrew, held on the 31st inst., it was moved by A. A. Wright, and seconded by T. L. Main, and carried unanimously, that in the opinion of this congregation, it was most desirable, in the interests of our fellow countrymen, that the resolution introduced in the House of Commons by H. H. Stevens, M.P., and seconded by the Hon. Chas. Marcil, M.P., looking to the prohibition of the manufacture and sale of intoxicating liquor for beverage purposes, should be adopted.

Resolved, also, that a copy of the resolution should be sent to our Premier, Sir R. L. Borden, and also one to the Hon. Geo. P. Graham, our representative in the House of Commons, urging them to do their utmost to have the resolution adopted.

Signed on behalf of the congregation,

W. G. Draper, Clerk.

Here is another resolution from North Bay, where liquor unfortunately has in the past played a very important part:

North Bay, Ontario,
March 3, 1916.

We, the undersigned ministers of North Bay, Ontario, do hereby express our strongest endorsation of the resolution which is to be brought before the Parliament of Canada by Mr. H. H. Stevens and the Hon. Charles Marcil, namely:

"That at this time, when the Empire is at war, in the opinion of this House, the conservation of the wealth and resources of the Dominion, and the promotion of the efficiency of our nation would be materially aided by the prohibition of the manufacture, importation and sale of intoxicating liquors for beverage

purposes, and legislation of this character ought to be enacted forthwith."

Further, we herewith forward copies of this resolution to the Hon. Frank Cochrane, Sir Robert Borden, and Sir Wilfrid Laurier, with the earnest hope that they may be able to use their powers to have the said resolution most cordially adopted by the House.

Signed on behalf of the ministers of North Bay.

J. G. Bowles, Secretary.

At six o'clock the House took recess.

The House resumed at eight o'clock.

Hon. CHARLES MARCIL: The hon. member for Vancouver and myself have attempted to show that a profound feeling in favour of prohibition prevails generally in the various provinces of Canada. Before six o'clock I tried to give an idea of the immense revolution that has taken place in the province of Quebec in this connection. The more consideration I give to the matter, the more I am convinced that if, especially at this time, an opportunity were given to that province to express itself on the question of prohibition, there would be a majority in its favour. I have given the evidence of some of the leading men in that province to show the great change that has been brought about.

I am glad to be able to say that the effect of prohibition in those parts of Canada where it has been introduced has not been penalizing—far from it. On the contrary, it has been entirely to the benefit of the people; there are few instances in recent years where prohibition, after having been once accepted, was rejected. Take, for instance, the effect of the introduction of prohibition in Saskatchewan. I have here the following statement of Mr. Koepke, field secretary of the "Banish the Bar" crusade:

> The Liquor Act which was passed on the first of July last brought about a great change in this province, doing away with 417 bar licenses, all the club licenses in the cities, and the railroad licenses, and changing the wholesale places, 38 in number, into 23 Government-owned liquor stores.
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> The province was divided into 67 districts, 19 of these having liquor stores or dispensaries, and the remaining 48 having no liquor stores. The immediate result of this was a great reduction in the bulk of liquor consumed. Government figures for the month of July showed a reduction of 95 per cent over the average amount, and since then figures anywhere from 80 to 90 per cent reduction. It has almost entirely done away with the treating system. It has stopped a great deal of recruiting in the army of drinkers. Great satisfaction is expressed all over the province. The people are delighted with all of the changes, except the dispensary feature. There is dissatisfaction in the centres where these Government-owned stores are established.
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> According to the provisions of the Act, all liquor stores that were situated in towns of less than one thousand population could be attacked this year by a movement to vote them out. The vote was thus brought on in three districts out of nineteen. Also campaigns could be brought on to put in liquor stores where there were none, but out of the forty-eight only four attempted to put them in. This made campaigns in each of seven districts, three to close the liquor stores, and four to open stores. The election took place on the 13th of December last, resulting in a most decisive victory for the temperance forces. The three liquor stores were put out with large majorities, and the stores were kept out of the four districts by overwhelming majorities.
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> In one district where there were seven towns in a row, the seven towns gave a total of 22 wet votes. One municipality, comprising 15 townships, gave a total of 14 wet votes, and over 400 dry votes. The results show conclusively that "booze" is in disfavour in this great prairie province, and it is safe to predict that next year the remaining twenty liquor stores will be abolished. The results of the foregoing votes are prophetic of the end of the whole dispensary system.
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> The work in the province has been very encouraging, but very strenuous. The people are clamouring for a Dominion vote on the entire situation, having in view the total abolition of the intoxicating liquors for beverage purposes. Saskatchewan is ready for this next great step.

I shall refer to the effect of prohibition in the province of Alberta only by reading a despatch, published in the papers of Saturday, March 3, which tells how the second reading of the Prohibition Bill was treated in the Alberta Legislature, showing the unanimous feeling that exists among the representatives of the people. The despatch follows:

> Edmonton, Alta., March 3.—Practically without a word of comment, the Sale of Intoxicating Liquor (Prohibition) Bill was read a second time in the Legislature this afternoon, and now only awaits consideration by the House in Committee before it comes up for third reading and then becomes a law in the statute book of the province.
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> The Bill, which goes into force on July 1, will effect prohibition in the province in so far as it is within the control of the provincial authorities—that is to say, it absolutely forbids the sale in Alberta, except in so far as it is required for medicinal and mechanical purposes. When the Act comes into force 281 wholesale and retail licenses become inoperative. At the time the referendum resulted in adoption of the Act on July 31 last by 19,500 majority, there were 253 hotel, 13 club and 55 wholesale licenses in operation.

In Manitoba, as the House has been informed, a referendum will be taken on this question on March 13 next. In the meantime, it may be interesting to mention the results of the votes that have already

been taken in Manitoba. On July 23, 1892, the vote for prohibition was 19,637; against prohibition, 7,115, a majority in favour of prohibition of 12,522. On September 29, 1898, at the time of the Dominion plebiscite, another vote was taken, with the following result: for prohibition, 12,419; against prohibition, 2,978, a majority of 9,441 in favour of prohibition. I think that there can be no doubt as to what the result of the coming referendum in Manitoba will be. We have, therefore, the three great prairie provinces arrayed on the side of prohibition.

The province of British Columbia is attracting a great deal of attention just now in this connection. It lies alongside one of the large American states which has just adopted prohibition. In convention at Nanaimo, the Orange Grand Lodge adopted the following resolution:

That this Grand Lodge strongly endorses the principle of the prohibition of the manufacture, sale and importation of intoxicating liquors, and approves of the movement now on foot to have such a law enacted in British Columbia.

They passed another resolution to this effect:

That this R. W. Grand Lodge of British Columbia comply with the request of the Executive Committee of the People's Prohibtion Movement and appoint a committee of three to accompany the prohibition delegates in their conference with the Government at an early date, and to act as a standing committee of the prohibition movement in promoting the interests of prohibition during the year.

I quote the following as an instance of a commercial body favouring Dominion-wide prohibition:

Because the Board of Trade of Regina, Sask., believes that, "conditions prevailing throughout the British Empire and countries allied with it demand the conservation of every available source of power," it has placed itself on record as favouring immediate steps towards federal prohibition.

The board, in a resolution, holds that the manufacture, importation and sale of intoxicating liquors are in themselves to a very great extent an economic waste and tend to lessen the forcefulness, energy and complete fitness of the people of the Dominion. The board urges Parliament to pass a law providing for prohibition and suggests that the measure be not repealed until after the question of repeal has been submitted to the voters.

Many resolutions have been passed by large religious bodies in Western Canada. At a recent meeting of the Session of St. Andrew's Church, Moosejaw, the following resolution was unanimously adopted:

Whereas a campaign has been launched in Ottawa and elsewhere, having for its object the abolition of the liquor traffic in all its branches from the Dominion of Canada, be it resolved that this session records its approval of the same, pledging its sympathy and support, and that the clerk be instructed to forward a copy of this minute to the secretary of the organization which is prosecuting this good work.

We have, therefore, a plain indication of the fact that the feeling in Western Canada is undoubtedly in favour of prohibition. But the most important step taken within the last few days is that which has been taken by Ontario, the greatest and largest province of this Dominion. The Premier of that province has introduced a measure, the details of which we are not familiar with now, but which aims at the introduction of prohibition into the province and the holding of a referendum later. Mr. Rowell, the leader of the Opposition, has come out in support of the proposal, and, according to the present indications, there is no doubt that the measure will carry the House and the province.

We have seen what has been done in Quebec, in Ontario, and in Western Canada. So far as the Maritime Provinces are concerned, Prince Edward Island has prohibition, and Nova Scotia has it, with the exception of Halifax. I understand, however, that a private Bill has been introduced in the Legislature of Nova Scotia having in view the object of doing away with the 46 or 47 licenses in the city of Halifax. That will leave under license in the Maritime Provinces only a portion of the city of St. John, and in respect of which similar steps will likely be taken. If at the present session legislation of this kind is not introduced in this Parliament, at the coming session the whole Dominion of Canada, with the single exception of the province of Quebec, which has not yet taken any official stand in the matter beyond the reduction of the number of licenses, will be in favour of prohibition.

In Quebec, as has been said, we have over 900 municipalities which have adopted prohibition. This shows that there is an immense feeling all through Canada in favour of this great change. Apart from its moral aspect, the economic side of the question has become of immense importance. The ordeal through which Canada is now passing makes it imperative on the representatives of the people to give the country an opportunity of doing its share in the great work we have undertaken of seeing humanity and civilization through in this war.

I wish to glance at the history of prohibition among our neighbours in the great republic to the south. A great struggle on

this question has continued there since 1845. In that year the State of Maine adopted prohibition and has maintained it ever since. It must be remembered that in the United States national prohibition of the manufacture, importation, and sale of liquor has never been adopted by the Federal authority, and under the Interstate Commerce law liquor can be forwarded from one state to another. Therefore prohibition has never had a fair and complete trial in the United States as it would in this country were prohibition adopted by this Parliament, because the root of the whole trouble is the manufacture, importation and distribution of liquor. In the United States on January 1, 1916, no less than 6,800 barrooms were closed and seven states went dry. Those states were Arkansas, Colorado, Idaho, Iowa, Oregon, South Carolina and Washington. The total population of these seven states is 8,253,993. The conditions in these states have been well described as follows:

Arkansas: The new law which goes into force in this State is said to be the most stringent yet enacted in any part of the United States. The penalty for liquor-selling is a year's imprisonment in the State penitentiary. The experience of the people with attempts at violation of county prohibition had made them determined to see that the voice of the people was effectively carried out.

Colorado: It is stated that during the last week of 1915 more than $2,000,000 was expended for intoxicating liquor in Colorado. Besides the saloons set out in the above table there were five breweries in operation which go out of business along with the bars. The city of Denver, which came under the prohibition regime, has a population of 245,423 making it the third largest of the prohibition cities.

Idaho: The Idaho prohibitory law is of unusual stringency. It is being attacked at the present time in a suit which is set down for hearing on appeal in the United States Supreme Court. This law provides punishment for the possession even by private citizens of any kind of malt or spirituous liquors.

Iowa: Notwithstanding the legal restrictions imposed by existing legislation in Iowa, there were in operation sixteen breweries, with a capitalization of $4,236,963. There will be no toleration of these so-called industries, and the buildings in which they are housed must be turned to some other use.

Oregon: Oregon is a very progressive State. Its natural wealth is vast, and its citizens are exceedingly enterprising. In it the city of Portland takes the second in population among the cities in which the traffic is entirely outlawed. Even drug stores will not be allowed to sell intoxicants for any purpose.

South Carolina: As already stated, the dispensary system disappears in this State, in which it practically originated as far as the United States is concerned. The new law allows importation by any person for private use of not more than one gallon of intoxicants per month. There is not much change as authorized dispensaries were very few.

Washington: In the extreme north-west of the Republic, lying just south of British Columbia, this big State will by its dryness, help the enforcement of prohibition when it comes in British Columbia. It contains the city of Seattle the largest prohibition urban area,with a population of 313,029. No other State has closed as many bars by going dry. It had also a number of breweries, some of them extensive and prosperous.

General: There are now eighteen States under prohibitory law, and the people have voted for prohibition in another, namely, Virgina, in which the change will take place on November 1st next. The dry States are now:

Alabama; Arkansas; Arizona; Colorado; Georgia; Idaho; Iowa; Kansas; Maine; Mississippi; North Carolina; North Dakota; Oklahoma; Oregon; South Carolina; Tennessee; Washington; West Virgina.

Five license States will vote on the question this year—Vermont in March, and California, Michigan, Montana and North Dakota in November.

Campaigning looking to State-wide prohibition also going on in New Mexico, Ohio, Texas, Utah and Wyoming. It is possible that other States than those which have already decided may also vote at the November election. Outside the prohibition States that have been named, there is an immense prohibition territory obtained through the local option method. The question of a national constitutional prohibition amendment is now before Congress. Surely this is a mighty sweep, and a prediction of ultimate and complete success.

In describing the results of the coming into operation of prohibition in the seven States on January 1st, the American Issue said:

"Portland, Oregon, has a population of nearly 300,000—about one-third greater than Columbus, Ohio. Portland, along with the State, became dry January 1st. For the twenty-four hours ending last Monday night, following the closing of saloons on Saturday, not an arrest was made for drunkenness or disorderly conduct. No saloons city in the world of equal size has such a record."

The state of Kansas is often mentioned in connection with prohibition. I do not wish to dwell upon it at length, because members who have at all studied the question of prohibition know that Kansas stands as a shining example of what prohibition may do. Will we be penalizing the people of Canada if we impose prohibition on them for at least three years, during the war and the period of reconstruction following it? Let us see what has been the experience of one of the leading states of the Union. This is an official document, signed by the Govener of the state, and dated the 6th of March, 1915:

Kansas people are stronger for prohibition to-day than ever before. At the end of nearly a generation under prohibition, it may truthfully be said that the prohibitory law of this state was never so well enforced as now, and never so generally approved, nor is the reason for this approval far to seek.

As a result of prohibition there are forty-eight counties which did not send a prisoner to the penitentiary and eighty-seven counties that did not send an insane patient to the asylums last year; more than a dozen Kansas counties have not called a jury in ten years to try a criminal case; fifty-three counties were without paupers in their alms-houses.

The Kansas death rate is the lowest in the world—7½ for each 1,000 persons; there are more students in the Kansas colleges and universities in proportion to population than any other state in the Union; the bank deposits in ten years have increased from $100,000,000 to more than $200,000,000. Kansas, with a population of a million and three-quarters, has as much wealth as Chicago with a population of two and one-half million, and the per capita wealth of Kansas is the greatest of any state in the Union—approximately $1,700 for every man, woman and child in the state.

The annual expenditure for liquor has been reduced from $21 per capita, the average in the United States, to $1.25 in Kansas; illiteracy among Kansas people has been reduced to two per cent—the lowest in the United States.

The value of the field, orchard and live stock crops for 1914 was 638 million dollars. I do not claim that the prohibitory law is the sole cause of this great agricultural wealth, but surely this wealth is evidence that prohibition does not destroy business and the property of the state. The state of Kansas has no bonded debt except $370,000 held by the Kansas school fund.

As a matter of fact, there is no sound argument against prohibition, either moral or economic, not even the argument that it increases taxes, which it does not do. The taxes in Topeka are just about the average of cities in the Middle West, many of which get a large revenue from saloon licenses.

The attacks on prohibition in Kansas are simply the false representations of that enemy of the home, the church, and the state—the saloon power.

National prohibition is coming and Kansas and her people are ready to take the lead in the fight.

(Signed) Arthur Capper,
Governor.

I have read Governor Capper's communication and heartily concur in all that he says.

(Signed) S. M. Brewster,
Attorney General.

I do not intend to refer at any greater length to Kansas, but here is a State which adjoins part of our western country, and in which prohibition has been tried; I refer to North Dakota. With your permission, Mr. Speaker, I will read an extract relating to that State in order that Canadians may know what is going on alongside their border. Here is a statement by Judge Charles A. Pollock, in the Christian Advocate, a publication of the highest standing. Judge Pollock has been presiding judge of the district court for nineteen years. This is what he said:

When prohibition was adopted in North Dakota we had a population of about 180,000. It was urged that if the prohibitory system was engrafted upon our statute book the state would not develop. This statement, like others from the saloon source, has been shown to be untrue. We now have a population of about 700,000, and the per capita wealth of our people is approximately $2,000—the highest of any state in the Union. South Dakota, when admitted to the Union, had something like 250,000 inhabitants. After having had prohibition for four or five years it returned to the license system. That state now has a population of less than 600,000.

With us as the saloon interests decrease in a community the banks and trust companies increase. The last reports from our banking interests show a constant and healthy development, the aggregate deposits mounting up into the millions. Statements of the banks in Fargo alone show an aggregate of about $10,000,000. Fargo has grown from a city of 6,000 under the license system to one of 20,000 under the prohibitory. It has all modern improvements—like heat, water works, paved streets, street cars, electric lights and every convenience attendant upon city life.

Many of those who were most bitterly opposed to prohibition have been won over and are now planted firmly upon the side of the present system, convinced, it is true, against their will, but now firm in their new position because they cannot put aside what they see and know to have been fully demonstrated. They have in a large number of cases been manly enough to step forward and give utterance to the unshaken faith which they now possess. They declare that under no considerations ought we to permit the saloon to return to our borders. I have the written statement of most of our leading business men, speaking from their special viewpoint of the beneficial effects of prohibition. Many of them were determined opposers of prohibition when it was adopted.

Under these conditions it is the height of impudence for the liquor men to assert that our law has been a failure, and, therefore, we ought to cause its repeal. If it is a failure it is because liquor has been sold in larger quantities, and if that be true the vendors of such liquor do violence to their own interests by attempting to destroy such a valuable field in which to carry on their traffic.

I do not need to quote any more on that point, because I think that is a very good statement of the case. The United States affords us in some of its States an example of the results of prohibition. These should not debar us from doing what we think ought to be done under the circumstances and for the very special reasons that we have to contend with. Mention was made this afternoon by the hon. member for Vancouver (Mr. Stevens) of what Russia had done. I shall not refer to Russia, because that country has witnessed the greatest change of all time, so far as the liquor question is concerned. The people of this country have a particular interest in the problem outside of what has happened in Great Britain, to which I shall refer in a moment. There is France, the land of the vintage, the land of liqueurs,

the land of the golden spirit. France, of all the countries in the world, was probably the country where it might have been expected that temperance or prohibition in any shape or form, would make the slowest progress, and yet we see the great revolution that has taken place there. When we read in the newspapers of what the gallant French army is doing, we must realize that that army is composed of temperate soldiers, trained under prohibition. Liqueurs, absinthe, and all such liquors have been banished from the French army. I desire to read a couple of extracts to show what France has done in the way of bringing about a change.

Repeated attempts have been made to deal with alcoholism, but with little success, due largely to the electoral power of the enormous number of persons engaged in the vine industry, the making of wine, the distilling of absinthe, and other spirits. In 1910 it was reported that France had one wine and spirit bar to every 82 of the inhabitants as against one to every 246 in Germany, 430 in England, and 9,900 in Norway and Sweden.

In 1906 the Academie de Medecine of France invited its members to collect statistics in reference to deaths, etc., due to alcohol. The reports were appalling. From Normandy it was stated: "The consumption of alcohol has risen steadily and enormously. The number of births has decreased by about one half. The mortality has risen 4 per cent since 1831. Crime has increased over 4 per cent. Lunacy, suicides, and sudden deaths have largely increased, while the number of men unfit for military service is also rapidly increasing." The Government became alarmed and issued white placards calling the nation's attention to the evils of alcoholism. Temperance diagrams anl lessons were introduced into the public schools, and other methods were adopted with a view of staying the curse.

M. Briand and his Government, in 1909, supported a measure in the National Assembly for the prohibition of the spirit absinthe and to limit the number of liquor bars to not more than one to every 200 of the inhabitants. This moderate reform, however, was defeated: The Prime Minister declared: "The Government views the situation with alarm; it is terrible, and it is a question of national interest, for the very life of the nation is at stake." In 1911 a measure simply reducing the number of liquor bars was carried through the Senate by 137 against 132. The Bill was, however, rejected in the Chamber.

Then we come to the change which took place when war broke out:

The Government, on August 11, 1914, issued an official proclamation prohibiting the sale or absinthe during mobilization, and a number of Prefects, including Paris, ordered the closing of all drinking places at 8 p.m. The results were declared to be so satisfactory that the temporary closing was continued until January 10, 1915, when the President issued a decree permanently prohibiting the sale of absinthe, and on February 12, 1915, this action was approved by the National Assembly and a measure passed prohibiting for all time the manufacture, exportation, and sale of absinthe and all similar liquors. The Paris correspondent of the Standard, on January 15, 1915, in a lengthy article said: "Looked at from a broad point of view these decrees are as much a measure of national defence for the future as the operations in the field are at present one. They constitute a declaration of war against the insidious domestic foes, the pests of alcoholism, and all its train—tuberculosis, degeneracy, and diminished nativity. A reduction of 50 per cent in the consumption of cheap spirits would soon make itself felt in an increased birthrate, in a reduction of infant mortality, and in a more vigorous and healthy generation of Frenchmen. It is not only doctors, but economists who have already cried out against the scourge of alcoholism."

M. Ribot in the Chamber of Deputies on February 15, 1915, said:

If the Chamber stops at the suppression of absinthe only, it will not have gone for enough. There must be a reform of the whole legislation on all alcoholic liquors. This question will be forced on all governments consequent on the enormous evils flowing from alcohol.

It was then decided by a vote of 481 against 52 to refer the question of "Alcoholism in France" to the Commission of Hygiene "to consider and report how best to deal with the evil."

I shall make a passing reference to our great enemy, Germany, simply by giving a couple of quotations to show what has been done there. I do not wish to set up Germany as an example, but, as indicating that there was preparedness in Germany on this subject also, let me give a few facts. As far back as 1911, in the report of the Prussian Government, it is stated:

The use of spirits among the wood-turners has practically ceased; beer drinking is growing less and less. Milk is taking the place of beer." A number of labour and Socialistic organizations have also issued recommendations to their members to limit the use of alcoholic liquors. In March, 1912, a Local Veto Bill was for the first time introduced into the Reichstag. The Bill provided that "Every precinct in the German Empire, its colonies and protectorates, has the right to prohibit within its borders the industrial manufacture, importation, purchase, and sale of alcoholic beverages." The measure was supported by a petition signed by over 500,000 electors.

At the outbreak of the war an order was issued by the General Staff prohibiting spirits from being served to the millions of German soldiers and sailors during mobilization. And this prohibition has since been made permanent by special orders. The keepers of beer halls and other places where alcoholic liquors are sold have been rigidly restricted, under heavy penalties, as to the amount of beer which can be supplied to the soldiers and sailors. During seven months' travel as an American citizen, in Germany after the outbreak of war, Mr. Page Gaston, F.R.G.S., Hon. Secretary of the International Prohibition Confederation, says that among the hundreds of thousands of German

soldiers and sailors whom he saw, there was but one soldier intoxcated, and no sailors. To reduce the consumption by the general public and to preserve the grain for food, an order has been issued fixing a 50 per cent reduction in the production of beer.

On the other hand, when the German soldier "prepared" as he was, invaded Belgium, and committed the acts of which we know, alcohol had its place and its influence. The following extract from the Pioneer describes the effect of alcohol upon the German soldiers:

When the German armies invaded Belgium they raided the wine cellars and drink shops of the cities and towns which they occupied, and gave rein to their almost invariably strong drinking proclivities. It was largely because of the heavy drinking that the German soldiers gave themselves up to the wildest orgies of brutal outrage that will be a disgrace to the name of their nation for all time. Bestiality and slaughter, such as we never before heard of, have been proven by witnesses of the highest character and reputation. Every conceivable crime against God and humanity was perpetrated by alcohol-maddened creatures who could not even be called brutes without slander on the lower animals. The utter submersion in these fiends in human form of every vestige of manhood has opened the eyes of the nations to the appalling possibilities of infamy that can be attained only through the influence of intoxicating liquors.

I have said enough on that point, I believe, to convince all those who are open to conviction that prohibition is a good thing, viewed from that standpoint. Let us see now the situation in the large cities where the prohibition problem is probably the most difficult of solution, where liquor has its stronghold, and where great work will have to be done to bring home the lesson of the actual experience of workingmen. The Temperance Society of the Methodist Episcopal church in the United States consulted some of the largest employers of labour in the states of Pennsylvania, Ohio, Illinois, West Virginia, as to how liquor affected their workmen and how they treated the heavy drinker, the moderate drinker, and the total abstainer. I will quote some of the answers given by these great employers of labour:

The efficiency of a man is reduced in exact proportion to the amount of alcohol he drinks. The total abstainer ranks above the moderate drinker in reliability and efficiency in all classes of work nearly as much as the moderate drinker does above the heavy regular drinker.—The Follansbee Furnace Company, Follansbee, West Virginia.

We give bonuses to abstainers among our foremen. Our aim is to keep our organization free from liquor, and we base this upon its commercial value to us.—The Delaware River Steel Company, Chester, Penna.

Moderate drinking is detrimental to efficiency and reliability.—The Penn Steel Castings and Machine Company, Chester, Penna.

Drinking, even moderately, interferes with efficiency and reliability.—The Nicetown Plate Washer Company, Nicetown, Philadelphia, Penna.

No one remains a moderate drinker. They either stop altogether or become heavy drinkers. We discharge without mercy men who report for work under the influence of liquor.—The Harrisburg Pipe and Pipe-Bending Company, Harrisburg, Pennsylvania.

We use every moral force to keep men out of saloons, and we never advance any man who drinks.—The Wyoming Shovel Works, Wyoming, Pennsylvania.

In advancing men the abstainer always gets the preference. We would prevent the use of liquors entirely if we could. The man who does not drink at all stands his work better as a general rule.—The Union Rolling Mill Company, Cleveland, Ohio.

We are opposed to the frequenting of saloons and the drinking of alcoholic beverages, but it is, of course, difficult to dictate what a person shall do after working hours. When promotions are made men are examined physically, and when signs of liquor are noted on their breath they are rejected, even if otherwise O. K. We know from general observation that a man's efficiency is reduced 30 to 50 per cent through the use of alcohol.—The David Bradley Manufacturing Works, Bradley, Illinois.

Any amount of alcohol is injurious. We do not utterly prohibit the use of such beverages outside of working hours, but hope to be able to do so some day. The day will come when no drinker will even expect to get a job.—The American Manganese Manufacturing Company, Dunbar, Pennsylvania.

The men who drink alcoholic liquors, even if they are not known to become drunk, are not advanced to responsible positions.—The A. M. Byers Company, Pittsburg, Pennsylvania.

In our work we cannot use a man who drinks liquor. Men who use it at all are not in a condition to work anywhere in it with the man who lets it alone. We hope the traffic in liquors will soon be voted out of existence.—The McInnes Steel Company, Ltd., Corry, Pennsylvania.

We object to drinking and to the frequenting of saloons at any time, but do not attempt to prohibit it. Alcohol should be cut out entirely. Its moderate use has a bad effect.—The American Steel Foundries, Alliance, Ohio.

We try to encourage abstinence by furnishing oatmeal water, milk during the noon hour, and good running cold water throughout the plant. We have made headway by so doing.—The Chicago Malleable Castings Company, Chicago, Illinois.

Abstinence from the use of intoxicating liquors increases both the efficiency and reliability of employees. In our safety and welfare work among employees attention is called to this fact.—The Illinois Steel Company and the Indiana Steel Company, both of Chicago, Illinois.

The total abstainer produces more work, recovers from accidents quicker and is more regular. We are unable to ascertain whether our employees frequent saloons outside of working hours, but we carry on a temperance propaganda in connection with our safety first movement.—The Upson Nut Company, Cleveland, Ohio.

We employ no drinking men when enough abstainers are available.—The DeForest Sheet and Tin Plate Company, Niles, Ohio.

I could read many more, but I do not wish to weary the House. I commend the opinions I have read to the consideration of those workingmen who imagine they can benefit themselves, their families, or their country by even a moderate use of alcohol. They are only sowing in their own constitutions the seeds of future illness or incapacity, to say nothing of the effect of this indulgence upon those who come after them. Besides, as stated in one of these letters, the moderate drinker does not remain a moderate drinker; he either drops it altogether or becomes worse.

On the moral issue, I wish to give only three quotations from as many leading men, whose names are outstanding in the history of modern affairs—two in the United States and one in England. First, I quote Cardinal Manning, one of the greatest men England has produced in the last hundred and fifty years, a man who stood on the same plane with Gladstone and a very few others in greatness and in fame. Cardinal Manning said:

> The drink traffic is a public, permanent and ubiquitous agency of degradation to the people of these realms. The drink trade of this country (England) has a sleeping partner which gives it effectual protection; every successive Government raises at least a third of its budget by the trade in drink. The drink trade is our shame, scandal and sin, and unless brought under by the will of the people, it will be our downfall. Alas, in America also does the "sleeping partner," for a money consideration, give its protection to the drink trade. Do you know how you will help to break up the unholy alliance between the Government and the greatest fraud of the age? Vote against it.

One of the great churchmen of the United States, Archbishop John Ireland, of St. Paul, Minnesota, says:

> Would God place in my hands a wand with which to dispel the evil of intemperance, I would strike the door of every saloon, of every distillery, of every brewery, until the accursed traffic should be wiped from the face of the earth.
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> The great cause of social crime is drink. The great cause of poverty is drink. When I hear of a family broken up, I ask the cause—drink. If I go to the gallows and ask its victim the cause, the answer—drink. Then I ask myself in perfect wonderment, why do not men put a stop to this thing?
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> The Catholic church is absolutely and irrevocably opposed to drunkenness and to drunkard making. In vain we profess to work for souls if we do not labour to drive out an evil which is daily begetting by the ten thousand and peopling hell. In vain we boast of civilization and liberty if we do not labour to exterminate intemperance. Education, the elevation of the masses, liberty—all that the age admires—is set at naught by this dreadful evil. The individual conscience is the first aim in opposing it, but the individual conscience has to be strengthened and supplemented by law. The claim of saloon keepers to freedom in their traffic is the claim to spread disease, sin, pauperism.

Archbishop John J. Keane says:

> Unfortunately for the liquor saloon and for the saloon people, it is not in our power, as Americans, to consider their business as one promotive of public morality and religion, but the very contrary: not as a business tending to the greatest good of the greatest number, but but the very contrary; not as a business that should be fostered and favoured by legislation, but the very contrary; not as one that should be granted special privileges on Sunday, but the very contrary; not as a public work of necessity or charity, but as a public curse and scourge and menace.

Though our relations with the United States are very close, though their influence over us in many respects will be transcendent, yet we are more concerned with Great Britain than with our neighbors to the south. The example set by some of the states of the United States in repealing their liquor laws is having its reflex action in Canada, not only in Ontario and Western Canada, but in the country as a whole. As regards Great Britain, we have had the words of Mr. Lloyd George quoted to-day: that England was up against Germany and Austria, but that her greatest enemy was drink. What has been designated as the "trade" in England has enormous power and influence. Notwithstanding the example set by the King, notwithstanding the example set by the churches and public bodies and public men throughout the United Kingdom, notwithstanding the thousands of lives that are sacrificed upon the battlefield, all the victory that the temperance forces could obtain in England was a reduction of liquor selling hours to five and one-half hours a day, under the Defence of the Realms Act. But the change under that reduction has been enormous. As Cardinal Manning very truly said:

> The time will come when England will have to take up this question and deal with it thoroughly. Otherwise her existence will be at stake.

If England were to be vanquished in this fight—which God forbid—we have it on the very best authority that the great cause of her downfall would be drink. I have here a statement by George B. Wilson, Secretary of the United Kingdom Alliance, from which I wish to quote:

> The licensing statistics for 1914 reveal the fact that for the first time during the last twenty years, with one insignificant exception, the convictions for drunkenness among women have gone up, in a year when the convictions among men have gone down. While the convictions of men have fallen from 153,112 in 1913,

to 146,517 in 1914, the convictions of women have increased from 35,765 to 37,311, or over 4 per cent.

We in Canada have the satisfaction of knowing that the Canadian woman at least has so far been the enemy of the liquor traffic. She is the mother of the family and knows what liquor means; liquor for the offspring, liquor for the present, liquor for the future; she has learned what it meant in the past. Is she not the best judge? The women of Canada have on all occasions stood by an overwhelming majority for prohibition of the liquor traffic, and surely they have reason to be heard. They are in a position to know and to judge. How much better is the position of our women to-day than the position of the poor women in a country where prohibition does not exist; in London, for instance, where the hours have been reduced by five and one-half hours a day. I cite from the official organ of the W.T.A.U.:

Early last year, the Executive Committee of the Women's Total Abstinence Union of Great Britain, undertook to obtain evidence as to the extent of this drinking, by making close observation of certain public houses in London. The work, of course, was mainly done before the new regulations came into force limiting the hours of liquor selling, and some of the evidence obtained was shocking. Here are extracts published in the January 1916 number of Wings, the official organ of the W.T.A.U.:

The first and chief method for obtaining evidence was the watching of public houses. In each case the observations were taken by two workers. The time spent in watching was 149 hours. The number of houses watched, 50. The number of women seen entering these public houses during the above hours was ten thousand six hundred and thirty-one (10,631), an average of over 71 an hour. The number of children left outside was 756.

It is only fair to say that, in a large number of cases, comparatively few women were seen by our watchers to enter public houses, and that many of those who did enter, only remained for a short period. It is cheering to be told by one of our branch secretaries that the women in her town would be ashamed to be seen going into a public house.

But the following facts show that the evil is very great in some parts.

Take the case of a single public house in S.W. London, observed on Nov. 22—a large house with six doors and one bar for women only. In the two morning hours (11.30 to 1.30) 404 women entered; 300 of these with soldiers; 18 women became intoxicated; 13 soldiers treated women; 15 women treated each other; 36 children were left outside.

In four hours on the evening of the same day (5 to 9 o'clock), 325 women entered (182 of them with men); 3 women were intoxicated; 5 evaded the "no treating" order; 14 children wer left outside.

In N.W. London on Nov. 22nd, in 4¾ hours, 894 women entered one public house.

In N. London, in a single hour (9 to 10 p.m.) there went into one house 268 men and 577 women (total 845), many of the women being young.

In a S.W. London suburb, in 35 minutes (11.30 to 12.05 a.m.) 77 men and 82 women entered one house.

In many cases children were left outside, sometimes for long periods—some in prams and mailcarts; some, scantly clothed, on the doorstep, and this on rainy, chilly nights. One baby was left outside for an hour and a quarter. Children were constantly looking in at the doors to find their parents. A child of 6 said she was waiting for "Mummy" and that she was "inside there." One night at 8.45, a group of miserably-clad children stopped a worker and enquired: "Please could you tell us what time they turn the mothers out of the pubs.; we are so cold and hungry."

One Sunday afternoon, five women, mostly young and quite drunk (one incapable of standing alone) amused themselves for nearly an hour by tossing two babies from one to another.

A young woman was seen hopelessly intoxicated on a suburban common. A friend who was with her, but sober, said she was in this condition every Monday, and more or less so every day as long as her allowance lasted.

In this country fortunately, we have at the present time to deal with liquor as it affects the man; but who can say that, if the liquor traffic is allowed to permeate this country and to go on unchecked—it will not do so, because public opinion will not allow it—the day will not come when the same spectacle which is seen to-day in the city of London will not be enacted in some of our great cities? In this time of crisis it is our bounden duty to give prohibition a fair trial, not only on economic, but on moral grounds. I have given a glimpse of what is taking place in the United States, and in the city of London, and let me read a few lines from the pen of a man who has presided in the municipal court of the city of Chicago, one of the largest cities in the United States. In Chicago the consumption of drink is probably more extensive than in any other part of the American Union. This is the judgment of Judge Wm. M. Gemmill, who every morning has an army of wrecks and derelicts brought before him:

Booze is the mother of crime. It gives life and sustenance to slums, dives, brothels, gambling dens and "pay-off joints." It nerves to his deed the homicide, the burglar, the thief, and the thug. It fires the brain of the prostitute and the pander. It feeds and inflames the passions of the weak-minded and the degenerate.

I have tried an army of 50,000 human derelicts, most of whom were booze-soaked. With faces red and bloated, with eyes dull and languid, with bodies weak and wasted, with clothing foul and ragged, this vast army is forever marching with unsteady step to the graves of

the drunkard and the pauper, or to the prison and workhouse.

I have looked into the tear-stained faces of a still larger army of fathers and mothers, brothers and sisters, wives and husbands, as they have pleaded for the miserable wrecks that booze has made. I have seen with this army ten thousand pale-faced, hollow-cheeked, ragged, hungry, and starving children, cursed by booze.

Booze has caused 200,000 divorces in the United States in the last twenty years, and adds 25,000 more to this number every year. It divides more homes, fills more jails and empties more churches than all other influences combined.

Booze never built a park, a playground, a school, or a church, but is the enemy of them all.

War may be hell, but where it slays its thousands, booze destroys its tens of thousands.

I do not intend to speak at any greater length and I must thank the House for the kind and patient attention which it has given me. I have spoken to-day in fulfilment of what I consider a public duty; I am supported in what I am doing by the unanimous sentiment of my own constituency from which, to the great satisfaction of the people, the last license was banished three years ago, and I feel that I have the sentiment of Canada with me. I am sorry that circumstances and my age have precluded me from doing what many of us would like to do, that is, to take our share in the present great task which now lies before Canada of achieving on the other side of the ocean that great victory which we all have at heart. One thing, however, which I can do and which I intend doing, is to give my vote, my influence, my energy, my work, and all that I can do to retrieve what I did in 1898, when in a moment of forgetfulness, when the

9. p.m. country was prosperous, when we had not been brought face to face with the trying ordeals which we have now to face, when the very existence of Canada is at stake, I cast a vote against prohibition. I am glad to say that twenty years have matured my experience and wisdom, and in the face of the present crisis, I feel it is the bounden duty of this Government, and this Parliament, to bring in a measure of prohibition, now. After the war, and the subsequent necessary period of reconstruction, if the people want to repeal the measure, let them do so. But in the meantime, when 250,000 of our boys have enlisted, and many of them are at the front, and when thousands more may enlist and go to the front, let them feel that we are doing something towards getting rid of all that is unnecesary, all that is luxurious, and that we shall do what Kitchener wants the civilian army to do, namely, to do our share in supporting those at the front. Then when victory has been won on the battle-field, the greatest victory will be, not the victory over Germany, but the victory won by the Canadian people over the greatest inherent weakness of mankind.

Mr. W. G. WEICHEL (North Waterloo): Mr. Speaker, at the outset of my remarks, I wish to congratulate the mover and the seconder of the motion under discussion, on the very eloquent manner in which they have presented their case. The liquor problem is as old as the hills; it dates back to the time of Noah because we all know that Noah made a mistake, although probably we may forgive him, because he had seen so much water at that time.

As long as human society has existed, the opinions of men have differed regarding that which is most vitally essential to human morals and human happiness. Opinions so expressed have always had a beneficial effect on the widely divergent views of matters relating to the moral and social uplift of communities, leading, as it should, and always does, to a discussion and interchange of thought wherein, after all, lies the root of all human progress. Our social fabric has not been built up in a day, a year, nor in hundreds of years, nor by the thoughts, opinions or achievements of one man, or one race of men. An interchange of thought has resulted in the compromise of many human minds and views, and has resulted in placing society in the position where we respect the opinion of our neighbour, no matter how much we may differ from him regarding the views he may hold, and besides, giving recognition of that great fundamental principle which is, after all, the foundation of a nation's stability, namely, the equal rights of all men.

We live in an age where the majority rules. If we did not subject that rule to certain limitations, however, by recognizing the rights of the minority, it would prove to be as tyrannous in principle, and as destructive to human rights and human happiness, as the most despotic and autocratic form of government, examples of which are in evidence in this world war.

Startling as the assertion may be, it is nevertheless absolutely true that the limitations so wisely imposed upon our modern form of government by our forefathers are to-day in great danger of being removed

at the instigation of certain men and organizations who are preaching the delusive doctrine that the needs of human society demand the sacrifice of individual human liberty. I consider the danger which threatens civilized society through the growing class of citizens in this country, whose views on prohibition are merely an exemplification of their general low estimate of man's ability to rise to higher things, as very great.

There is to my mind a vital distinction between the advocacy of temperance and the doctrine of prohibition. Temperance, as taught by the Scriptures, means moderation, and goes hand in hand with self-control, whilst prohibition is the direct negation of self-control. In order to save a very small percentage of the human race who do not obey the Divine teachings, and who abuse the law of nature by not being able to resist their animal desires, it aims to put chains and shackles on all, the weak and strong alike, forgetting that the fundamental fact of self-control is, after all, the growth and outcome of civilization. It is the emotional appeal made by speakers from platforms to their hearers that has strengthened the hands of those who preach prohibition, and by which they attempt to usurp that power which will, they hope enable them to dictate legislation at their own free will, and will in time, if the people do not wake up, impose upon a free people laws and restrictions that will be absolutely intolerable. Emotional legislation has never been productive of good results, and prohibitory laws relating to the individual rights of citizenship should never be enacted and placed on the statute books of our country mainly for sentimental reasons. Good, sound, common sense and good judgment is more essential in framing legislation; let us realize, as the representatives of the people, that sentiment should never take the place of the intellect.

Prohibition means that the policeman's club must be behind every citizen to make him good and righteous by law. It is deplorable that we have extremists who preach such a doctrine, and deplorable indeed that the great truth seems to be forgotten that the law must be written in our hearts regarding our personal well-being; and that then no one need teach his neighbour to do what is right, for they will all know it. I deplore as much the intemperate habits of some of our citizens as does the most ardent prohibitionist. There is no excuse for drunkenness; it is sinful and degrading to drink to excess, and certainly has a most demoralizing effect on the community as well as on the individual. The glutton, the gambler, the libertine, the man who talks lightly of womanhood, the person who gossips to the detriment of his neighbour, the man who uses God's name in vain, the spendthrift—all must be placed in the same category, as they surely all disobey the Divine command "Be ye temperate in all things." I hold no brief for any distiller, brewer or hotel-keeper, but intemperate language regarding those who happen to be in this business is all too prevalent at the present time, because there are good men in the hotel business, and there are bad hotel-keepers, and the same can be said of any other business.

I am opposed to prohibition on the ground that it will have a tendency to degrade the public service; that it dulls the public conscience, and will make the nation hypocritical. It has failed miserably in many states of the Union. Level-headed and high-minded men living across the international boundary line, who know from sad experience that the law is a farce and that it does not prohibit, were extremely anxious to return to regulation and license, and did not hesitate to express their opinions in a convincing manner regarding the fallacies of this doctrine. I believe in personal freedom and the right to eat and drink what I please without the interference of so-called moral reformers, who, at so much per annum, try to make people abstemious by legislation.

John Quincey Adams, one of America's great men, once made use of these words:

> Forget not, I pray you, the rights of personal freedom; self-government is the foundation of all our political and social institutions. Seek not to enforce upon your brother by legislative enactment the virtue that he can possess only by the dictates of his own conscience and the energy of his will.

It is pure phantasy to try to make men good by Act of Parliament, as it does not promote either temperance or virtue, and has a tendency to corrupt the morals of the community rather than to elevate them. Temperance means moderation in all things, not in one thing alone, but should be applied to eating, thinking and speaking, as well as drinking. The extravagance of the present age in blindly following the creations of Dame Fashion leads to intemperance of the worst kind. I venture to say that the Committee of One Hundred would be greatly surprised if, for instance,

they gathered statistics showing the percentage of crime, poverty and insanity that should be charged to dyspepsia, to indigestion, over-eating, gluttony, etc. If men learned to eat right, they would not become dyspeptic, and if men would not go to excess in drinking, there would be no drunkenness. Was there ever anything good that was not accompanied by evil? Was there ever a virtue that was not practised to excess, as a certain writer states, that did not turn to vice and crime? Drink temperately and eat temperately, and you will be healthy and strong, virtuous and wise, generous and affectionate. Man loves liberty; it is ingratiated in his very being; he loves personal freedom above everything else, yet it is hard to understand why he will allow a few well-paid agitators to determine for him what he should eat or drink, or to supply him with certain rules of conduct.

We have a great deal of legislation on our statute-books in this country. I have heard it stated on one occasion that the best governed country is the one that is the least governed; yet we have in our midst so-called moral reformers who are to-day popping up here and there, advocating their pet theories for the regeneration of the human race. These men do not even stop at the intemperate use of alcoholic drink. If they could induce public opinion to favour their theories, certain amusements would also be placed out of commission. Card playing, according to their theories, should be forbidden in general, simply because some men or women go to excess and become card fiends. Dancing is looked upon as a sin, because, according to their distorted ideas of morality, dancing has caused the downfall of a few, and therefore all others must abstain from the pleasure of this amusement. The habit of using tobacco, according to their theories, is a vicious practice and must be stopped, because tobacco contains nicotine, which is a poison. Yet they forget that both coffee and tea, if taken to excess, are harmful, because both of these beverages contain a certain amount of caffeine and theine. These are poisons, a few concentrated grains of which would kill a man instantly. These are no arguments, I will admit, but they are just as good as the arguments of some prohibitionists.

Again, people in many towns and cities in Canada say that street cars must not run on Sunday. Yet I have never heard of a law prohibiting a rich man from taking an automobile ride on that day, whilst the poor man, who has worked ten hours a day from Monday until Saturday noon and wishes to enjoy the fresh air and the beauties of nature, is compelled to walk a considerable distance with his family in the hot sun to the distant park. With many it is a crime to have a Sunday sacred band concert, with others it is an absolute sin to allow little children to skate or enjoy the slides on the Sabbath day. Toronto take notice. We have come to this pass: that a stranger cannot even buy a newspaper on Sunday in our large cities, and a cry of horror has gone up because certain well-meaning gentlemen, who had the best interests of the country at heart, have suggested that the libraries and museums be open on Sunday for the general good of the public.

A spectacle was presented a few nights ago when the Lord's Day Alliance actually objected to the holding of Sunday evening recruiting meetings. As this was practically the limit of endurance, their wishes came to naught. All these irksome restrictions, if we do not wake up, may be placed, as a bar to our happiness and comfort, on the statute books of our country by a few well-paid organizers, backed up by men who have seldom or never been up against the real issues of life, who draw weird pictures of misery and degradation about things that never took place, even if there is a semblance of truth in the story, they generally grossly exaggerate it. If one half of the time now devoted by the moral reformers and prohibitionists to this propaganda were given to aid in securing legislation to improve the conditions in factories, where thousands of men are yearly mangled and killed, there would be fewer victims of our industrial machines.

Legislation is desirable to make mines safer, and also to secure safety appliances for railroads and cars that would protect life. A great field is open to these people to limit the scourge of tuberculosis, and though to-day we have many good men and women who are doing noble work for the sufferers from the white plague, yet there is room for more of them, and if half the energy now devoted by these gentlemen to the attempt to prohibit alcohol were devoted to securing legislation to overcome some of the other evils, there would be more happiness and good fellowship in

this country, less friction between capital and labour, and more progress and stability all along the line. There are other evils in this world of a far greater and more pernicious character than drinking a glass of wine or beer. Gossip, the vile abomination so freely indulged in, has ruined more reputations and characters than all the evils for which drunkenness is responsible, and clothed in its puritanical robes of sham and hypocrisy, men and women are to-day hardly safe from its malignant influence. What about the social evil which has laid low many a young and promising life brought ruin and disaster and shame to many a home? Can Governments enact laws that will prevent men and women from going to destruction by legislating for them that they must not do this, or they must not do that? Are these things not a matter of conscience? If the moral reformer has no right to lay down rules and laws of conduct regarding these matters, to men and women, what right has he got to dictate to men and women what they should drink, eat or wear? Let us realize that we are not living exactly in an ideal world but in a practical one. What is God's law? It tells us to be good in ourselves, that we should be moderate in all things; that everything was good that was made in the beginning, and that it is the abuse of things that is wrong and not the use of them, because the laws we enact can only restrain us from doing wrong to others.

Remember that no law ever placed on the Statute books will suppress your thoughts or desires or your appetite. Untold damage will be done if laws are made with this object in view. By one stupendous forward push these well-meaning but over-zealous moral reformers are trying to bring humanity to a state of perfection, and the most distressing spectacle is presented to us by some men who, not having the moral courage to voice their opinions on these important matters, to please others, swim with the tide. In prohibition states across the border many openly professed allegiance to the cause, but made a farce of it when it became law. Bishop Gailor of Tennessee says about prohibition:

> Many people thought state-wide prohibition to be the ideal remedy. Instead of calling to their aid some experts on the subject and having laws framed that could be enacted without force, they passed through the legislature a measure that has led to civic degeneracy. It is impracticable, and this violation is productive of shameful evils. You cannot pass laws that way. The reformer should leave law making to wise experts and be content with educating public sentiment.

Cardinal Gibbons, one of the most eminent prelates who ever adorned the Catholic Church, has this to say:

> The establishment of prohibition in Chicago or other large cities would be impracticable and would put a premium on the sale of intoxicating drinks. When a law is frequently and habitually violated it brings legislation into contempt. It creates a spirit of deception and hypocrisy, and prompts men to do insidiously and by stealth what they would otherwise do openly and above board. You cannot legislate men by civil action into the performance of good and righteous deeds.

I honestly believe that prohibition is not necessary to make the world sober. Economic considerations force a man to be temperate. No one trusts a man who habitually drinks to excess, nor can he hold a job, nor can he get life insurance, and if he seeks the company of idlers he will find that he cannot find much company because the sober men are all at work. I do not believe that anything is to be gained to-day by a drum-beating, bell-ringing prohibition campaign to stir up strife and force divisions among the Canadian people. Is it not enough that we are in the midst of a world war so awful that it is almost terrifying? Is this the time to bring before the people an issue that for the present at least should be shelved? And, Sir, would it be fair to ask Parliament to vote on a measure of this kind without giving consideration to the quarter of a million men who are to-day ready and willing to make the supreme sacrifice if necessary? Even should they be allowed to vote this is no time for dissension. Should we not be better employed in looking after these men at the front who are so valiantly upholding the honour of this country, and who are doing everything possible to end this cruel struggle? We must be united at the present time, and we want nothing to interfere with the unity of purpose that animates the Canadian people to-day. A general election has been averted, thanks to the foresight and common-sense of those in authority, and from the Atlantic to the Pacific the people felt relieved that the Government and the Opposition were one on this matter, as a general election would have been harmful to every interest in Canada. But I also believe that to divide the people on this issue would be more disastrous still.

I place a great deal of confidence in the statements made by eminent men on matters of this kind. Bishop Hall of Vermont expresses his view in the following language:

Prohibition drives underground the mischief which it seeks to cure, making it more difficult to deal with the evil and impossible to regulate the trade, as for instance, in the quality of the liquor sold.

These are words that we should weigh well before committing this country to a law which has proven disastrous in many states across the border. Many eminent men have said that after the law came into force it not only failed to prevent the sale of drink, but led to pernicious drug habits which are a thousand times worse than the drink evil.

No legislation has been more extensively and fairly tested than prohibition. For from forty to sixty years it has been tried out across the border in several states. We must judge it therefore, by its record, by what it has done and what it has not done. What do we find by looking up the records? It can be summed up in three capital "F's" —Failure, folly and farce. It has not abolished the liquor traffic or lessened the consumption of liquor, or lessened the evils of intemperance. There is one service, however, that it has rendered to society—it has furnished a warning example of the supreme folly of attempting to legislate virtue into men's lives. A great many people who oppose prohibition are prone to make the mistake of concluding that all those who are opposed to the moderate use of liquor in any shape or form are fanatics. They are not. There may be one here or there in the ranks, but there are hundreds of others who merely recognize the existence of the same evil, as most of us recognize, that is the moral degeneracy that follows the abuse of liquor, and these same people who see no way of curing it conclude that it is incurable, and that therefore there is no other remedy left but to complete the destruction of the source from which they believe the evil emanates. Many of the states of the Union that voted prohibition years ago have gone back to license and regulation, and have found to their sorrow that they had built on false hopes, and that conditions were not only no better but far worse under prohibition than under license.

A great many moral reformers and prohibitionists claim that even the moderate drinker, or in other words the man who uses God's gifts properly and does not abuse them, is not the equal of the out-and-out teetotaler, and that wine, even in limited quantities, has a tendency to dull the faculties, to impair the strength and aggravate disease.

[Mr. Weichel.]

No doubt many of these good people admire Charles Dickens, and I am sure that only pity must be expressed for the individual who does not find the works of Dickens alluring. That world-renowned author once stated that the cause of temperance was not promoted by any intemperate measures, but that it was intemperate conduct to assert that fermented liquors should not be taken at all, for when taken in excess they did harm.

When reading an article of Colonel Henry Watterson of the Louisville Courier-Journal I was struck by the following paragraph

Any form of prohibition or restriction bears most heavily upon the poorer classes, the rich being always able to secure all the potions they wish.

No one can question the sincerity of Mr. Gladstone's quotation when urged to join in the temperance propaganda. He said:

How can I, who have drunk good wine and bitter beer all my life in a comfortable room and among friends, coolly stand up and advise hard-working fellow-creatures to take the pledge?

Several years prior to his severe illness, the Right Hon. Joseph Chamberlain undertook a trip to the United States, and being a man of keen perception, the following statement by him will no doubt be of interest to those who advocate prohibition for this country:

I have seen prohibition at work in the United States of America, and I rely in regard to it much more upon information I have obtained from impartial intelligent people than I do even on my own observation, and the evidence I have received from such persons, so thoroughly disinterested, is to the same effect that in towns at any rate anything in the nature of compulsory prohibition of drinking is absolutely impossible, and it only leads to drinking in a worse form than under the old system.

The late Justin McCarthy once made the statement that the prohibition law in Canada and the United States was a gross and ludicrous imposture. To think that to take a drink is wrong is to cast doubt and dishonour on the lives of our forefathers, and is, in my estimation, worse than an insult to their memory, because in years past it was considered no crime for a man to use the good gifts of God in moderation. But the things which are now countenanced in this twentieth century, as, for instance, the ill manners of the young towards their elders, profanity, commercializing religion were frowned upon as greater evils. These men who toiled day and night, who cleared the trackless forests, and who laid the

foundation of Canada's future greatness, were men of integrity and honesty, and never thought of putting chains and shackles upon themselves or their fellow creatures to prevent them from enjoying the gifts of nature. They had a greater mission to perform than that of interfering with other people's business, and the results of that great work are apparent to-day from one end of the country to the other.

All laymen do not think alike, nor do all the clergy think alike on this question, and if the prohibitionist feels that he has a right to expound his views and doctrines, he must, of course, allow others the same privilege. But, owing to their own intemperance on these matters, they insult those who desire to express conscientious opinions with which they do not agree.

Talking of the clergy, let me refer to the Rev. Dr. Lyman Abbot, a noted and well-known preacher of the gospel, who once stated:

> I do not know whether the Master would be a total abstainer or not, but I am very sure that He would not confound total abstinence and temperance. He would not think that total abstinence in one form of indulgence is self-control. He would not teach that the man who eats pie until his face is as soft as pastry ought to be called a temperance man because he does not drink beer.

Prohibition will never prohibit; the reform must begin with the individual. I make this statement conscientiously, that if you tear down every saloon, distillery and brewery, and everything that looks like temptation, you can rest assured that you will begin a campaign of destruction that will practically empty the world. The only remedy lies in an organized effort to rid the man of his defects: first, by moral remedies, releasing the weak will from bondage; and, secondly, by educating and strengthening the will to a point where it reaches self-control.

According to the beliefs of those who agitate in favour of prohibition, education and moral suasion are no longer necessary in shaping our lightning course towards perfection. They believe that mankind can be made honest, righteous and sober, moral and what not by a mere stroke of the legislatitve pen. The beautiful theories of these gentlemen are all based on the one fundamental fallacy, that if the manufacture, sale and importation of alcoholic beverages is prohibited, men will cease drinking such beverages. They forget that the destruction and abolition of the sale of liquor can neither destroy the desire of man to obtain these commodities, nor deprive him of the means of doing so, because there is hardly anything that grows in nature from which alcohol cannot be easily obtained in practically unlimited quantities by all who desire it.

Mark Twain, in talking about prohibition, gave utterance to this statement:

> "Since men can get their tipple out of a table leg or a wooden fence rail, what is the use of talking about prohibition?"

I presume that human ambition to exercise power over others will never die out. In saying this I do not wish to be misunderstood. I believe there is no nobler life than that which is devoted to improve the lives of others, to bring greater happiness, greater protection, and greater security to the many who are handicapped in the great battle of life. I am quite prepared to concede that great strides have been made in the past years for the betterment of the human race, but my contention is that if there ever was a time when men required to stand up for their own personal liberty, to assert themselves against an invasion of their personal freedom, that time is now. Though referred to in sneering tones, by those who wish to impose prohibitory laws and restrictions upon our people, it means as much to-day as it did to our wise legislators who framed our laws and constitution in the past. Yes, it means more to-day than at any other time in the past owing to the fact that over-zealous partisans are seeking to take advantage of abnormal conditions, when the public mind is unsettled by war, and not prone to think as normally as in times of peace.

In studying this question I came upon the following paragraph, which to my mind is an answer to prohibition:

> The history of civilization which stripped of its unessential features is largely the record of man's strangely contradictory struggle; on the one hand, to assert his right to the exercise of his individual tastes, opinions, and beliefs, and on the other hand, when he has succeeded in securing that right for himself, to arrogate to himself the privilege of denying the same right to those whose tastes and opinions and beliefs differ from his own.

Again I read:

> A good deal of that which affords pleasure to my neighbour appears to be the rankest folly to me, but if I legislate where my neighbour's freedom to exercise the pleasure he prizes, is concerned, and which I consider foolish, what is to prevent him, in his turn, from legislating where my freedom to exercise the pleasure which I prize and he considers foolish is concerned?

This, I believe, is what we are coming to, and if everybody succeeded in abolishing by law what he considers the foolish exercise and the freedom of everybody else, we shall then have reached the final stage of efficiency according to the ideas of those who advocate prohibition. To my mind it will be the final stage of inefficiency. When anything that has a demoralizing effect on the individual, or, for that matter, on a few individuals, takes place, and when newspapers refer to any sore, moral, social, or political, we see thousands of amateur specialists clamouring to be given an opportunity to inoculate every one with moral reform, with legislative serum, to cure that for which perhaps only a few are responsible; the rest of the people must be inoculated, whether they individually happen to suffer from the sore, or not.

We must agree that pretence of virtue is the most pernicious of all vices, and, unfortunately, of all vices the most prevalent, and that a great deal of cant and hypocrisy prevail to-day regarding the drinking evil. But surely public opinion is of no force or avail unless we, as individuals, uphold the same, by giving expression to it by our own voluntary actions and by the examples of our own daily life. But, Sir, to join in condemning in public what we, ourselves, do in private, or, for that matter, what we condone privately in others, is, to my mind, to reduce public opinion to a farce.

Nothing is surer than that no law should govern a man's thoughts, or his beliefs, or his desires, or his appetites; but it can only so regulate his exercise of them as to prevent him from thereby interfering with the rights or endangering the safety of his neighbour. Some who advocate prohibition, who are wise and honest enough to recognise these facts, say: "Oh, but wait until we have perfected prohibition and have barred the shipment of liquor into our territory and stopped the importation from abroad." Supposing such a thing were possible, and presumably it is, would such a law placed on our statute-books arrest the development of nature? Would the grape and apple cease to ripen, and the corn and rye and barley refuse to lend themselves to the process of fermentation at the behest of the Canadian Government?

We are all desirous of minimizing the drinking evil, and if we are honest we certainly wish to see the improperly-conducted hotel abolished. But the methods of the Prohibitionist are not the remedy for these evils. The only remedy in my estimation is the middle path correction, namely, the sane enforcement of the liquor license law coupled with moral suasion and enlightenment. Some have tendencies to commit crimes, some gamble, some go insane, others spread disease, while others indulge in foolish excesses, and certainly for that reason these men should be placed under restraint; but surely no Government would likewise bring within the law the thousands of other men who are free from the vices and criminal tendencies to which I have just alluded; and when it takes upon itself such an authority, it goes too far, and violates the fundamental rights of constitutional government. Newspapers are the advance agents of progress. The New York American says:

> Realize that education and self control mean temperance. Bigotry, intolerance control of a majority by the minority, will cause secret drunkenness, and never true temperance.

The Rev. Wm. A. Wasson, of New York, an American clergyman, states that nothing is more certain than that every state and local community in which prohibition now obtains will ultimately have to return to the policy of regulation, and just so long as the prohibition law remains on the statute books will the day of reformation be deferred.

Which are to-day the races that are in the vanguard of human progress? Surely not the Turk and Mohammedan, whose religion forbids him to use wine, even moderately. The British soldier is considered the best on earth, and this takes in the Canadian, Australian, New Zealanders and others, while the Jack Tar of the British Navy has no peer; and both are allotted a moderate amount of stimulants by law. Yet it is claimed by men who advocate movements of this kind that wine dulls the faculties and has a tendency to numb and impede progress in communities. Are the works of the great sculptors, painters, musicians, philosophers and statesmen in the past, the works of wine bibbers? Have their works been outclassed in recent years? Surely not. Nor can such an argument be used against the wine-drinking countries of the world to-day who are in the vanguard of progress and who are so valiantly upholding our liberties and institutions at the present time.

The personal freedom and liberty we enjoy, for which men have fought and died

in all ages, is perhaps in greater jeopardy to-day than it ever was before. We talk of freedom and what it all implies, and every patriotic thought expressed in song or verse during these dark days of war produce a sentiment that is truly inspiring. Place no legislation on the statute books of our country that is emotional and is guided by impulse and sentiment rather than by logic and reason. Let us not forget that the customs, the habits, the ideals, the social needs of those who constitute the rapidly growing population of Canada vary as much as does night from day, and legislation governing such a population should bear evenly upon all and not be especially oppressive upon specific classes of the people.

The New York Sun, reviewing the situation not long ago, said:

> There is no escaping the sombre chronicle. Prohibition does not prohibit. Morality fares worse under the new law than under the old, and we must console ourselves with the complacency of a few unthinking zealots.

Possibly the greatest foe to our liberty to-day is the man who in his ignorance defines liberty as license. Laws which are not founded in right and reason can never be inforced, and prohibition, whenever it has been enforced, has tended to create and foster disrespect for all law. The Committee of Fifty of the United States, who investigated the liquor problem, headed by such men as President Eliot of Harvard University, Bishop Potter, Seth Low, Hon. Carrol D. Wright, Hon. Chas. J. Bonaparte, Dr. Felix Adler, Prof. W. O. Atwater, and others, after searching reports came to the following conclusion:

> There has been concurrent evil of prohibitory legislation. The efforts to enforce it during forty years have had some unlooked-for effects on public respect for courts, judicial proceedings, oaths and laws in general, for officers of the law, legislators and public servants. Almost every sorts of liquor legislation creates some specific evil in politics. Legislation to secure the ends of prohibition intensifies political dissensions incites to social strife and abridges the public sense of self respecting liberty. It cannot be positively affirmed that any one kind of liquor legislation has been more successful than any other in promoting real temperance.

But because some men lose self-control regarding over-indulgence and drink, and because perhaps it affords one of the most convenient examples of man's liability to deviate from the path of moderation, this is used today as evidence that many pastimes, appetites and customs should be forbidden, and thus reduce every man to the level of those few who have no power of self-control. Men who openly and defiantly organize to terrorize governments into formulating legislation of this nature are the enemies of personal liberties in our midst, and it has come to this pass that the opinions of those who value their own individual freedom above everything else are no longer respected. Creeds which differ from them regarding these things are of no account, and those who have the temerity to oppose them they attempt to ostracise. The honest man, the sober man, the man who tries to do right, who does not consider it a crime to take a drink, does not count for much in these days. Some men in public life bow to their will, and rather than oppose them they are apt to applaud their aims and methods, even though the idea of doing so is repugnant to them. Let the people of Canada awaken and awaken fast. If it is true that a nation that gives itself over to self-indulgence in certain habits is bound to deteriorate, it is equally true that the same will apply to all people who no longer dare to think for themselves, and who let others do their thinking for them. Our statute books are becoming crowded with laws that have been placed there by men who imagine they can bring about the millennium by depriving men by legal enactment of the right to determine for themselves what they shall drink, and in time what they shall eat, and whether they shall laugh or cry on the Lord's Day. Fight for the defence of these God-given rights and do not leave it all for your neighbour to do, who perhaps is just as neglectful as you are, with the result that everybody's business is nobody's business, and the rights and privileges so loudly proclaimed from the house-tops become a mere sham and a hollow mockery. Will the Canadian people allow a few well-paid organizers to lay down certain rules of conduct for them in the matter of what they shall eat or drink? Will they allow themselves to be stampeded by men of the type of Billy Sunday who has commercialized religion and has become wealthy at the expense of our citizens both here and across the border? In language that is certainly not uplifting but in the opinion of real Christians, most degrading to public decency, appeals are made to the morbid emotionalism of communities, at so much per meeting, always arranged for in advance, by men of his type, and that which is our most sacred spiritual possession, true religion, is abused and used to further the

financial greed of a few who are desirous to reform a man's habits and desires by the enactment of certain legislation and federal laws. Others in this debate have quoted the opinions of eminent men. I suppose I may be allowed a similar privilege. First, I will give the opinion of Archdeacon Farrar, the eminent clergyman of the Church of England.

I have never asserted anything so wrong and so foolish as that it is a sin to drink wine, nor have I ever been so uncharitable, and gone so far beyond my legitimate warrant as to pronounce a syllable of condemnation against those who are called "moderate drinkers." The question of abstinence or non-abstinence is one which can be settled only by the individual conscience.

Pascal, the great ornament of French literature, said:

To go beyond the bounds of moderation is to outrage humanity. The greatness of the human soul is shown by knowing how to keep within proper bounds. So far from greatness consisting of going beyond its limits it really consists in keeping within them.

James Madison, one of the greatest men of the United States:

It is of great importance to a republic not only to guard society against the oppression of its rulers, but to guard one part of society against the oppression of the other. Justice is the end of government; it is the end of civil society.

Dr. Parkhurst, the eloquent preacher, said:

I am decidedly of the opinion that the more wine there is produced in this country and the more freely it is transported from state to state the smaller will be the amount of drunkenness.

When Massachusetts had a prohibition law, conditions were so bad that the following will be interesting—from Jno. A. Andrew, Massachusetts' famous governor:

Do you tell me, however, that all such beverages, in their most innocent use, involve a certain danger; that possibly any one may, probably many, and certainly some will, abuse it, and thus abuse themselves; and by consequence, that all men, as a matter of prudence, and therefore of duty, ought to abstain from and reject it? I answer: That is a question of morals, for the answer to which we must resort to the Bible, or to the church, or to the teachings of moral philosophy. The right to answer it at all, or to pretend to any opinion upon it, binding the citizen, has never been committed by the people, in any free government on earth, to the decision of the secular power. If the state can pass between the citizen and his church, his Bible, his conscience and God, upon questions of his own personal habits, and decide what he shall do, on merely moral ground, then it has authority to invade the domain of thought, as well as of private life, and prescribe bounds of freedom of conscience.

[Mr. Weichel.]

There is no barrier, in principle, where the Government must stop, short of the establishment of a state church prescribed by law, and maintained by persecution.

Do you tell me that the using of wine or beer as a beverage, however temperately, is of dangerous tendency, by reason of its example? Do you insist that the temperate use of it by one man may be pleaded by another as the occasion and apology for its abuse? I answer: That if the Government restrains the one man of his just rational liberty to regulate his private conduct and affairs, in matters innocent in themselves, wherein he offends not against peace, public decorum, good order, nor the personal rights of any, then the Government both usurps undelegated powers and assumes to punish one man in advance for the possible fault of another. The argument that because one man may offend another must be restrained is the lowest foundation of tyranny, the cornerstone of despotism. Liberty is never denied to the people anywhere on the ground that liberty is denied to the good or right, in itself. The universal pretext of every despotism is, that liberty is dangerous to society—that is, that the people are unfit to enjoy it.

Do you tell me that these arguments have a tendency indirectly to encourage and defend useless and harmful drinking, and that silence would have been better; for the sake of a great and holy cause? I answer: That He who governs the universe and created the nature of man, who made freedom a necessity of his development, and the capacity to choose between good and evil the crowning dignity of His reason, knew better than to trust it to the expedients of political society. The great and holy cause of emancipation from vice and moral bondage, is moral, and not political.

Let us learn to speak and hear the truth regarding these things, which so many would like to do, but so many dare not express. Canada is too big, too cosmopolitan, to be enslaved by a few zealots. Let the men who today are fighting for those liberties we love to talk about have the right to vote on this issue to preserve them. Do not disfranchise nor insult them by neglecting to give them an opportunity to express their opinions on this most vital matter. Wait until the struggle is over.

The big issue is the war, and nothing should interfere which might be a detriment to unity. When men dare to make the supreme sacrifice for us who stay at home, when they renounce position, comfort, and everything else that makes life pleasant and worth while in this world, then let us be brave enough to grant to them the privileges of citizenship and to take a common sense view of the situation by appreciating their efforts on the battle front and to such an extent that rather than pass laws regarding their conduct, as future citizens of Canada, let us devote our energies to the final and speedy completion of the war by doing everything possible in men and money to bring about this happy solution.

Think well of the results of Prohibition as they obtained in the United States. It is a farce, has not prohibited, has increased drunkenness, vice and crime, and as surely as it has done this across the border so will it surely work out in Canada.

Mr. LEVI THOMSON (Qu'Appelle): Mr. Speaker, as it is already late and many hon. gentlemen wish to speak on this question, I shall not take up the time of the House in replying at any great length to the remarks of the hon. gentleman for Waterloo (Mr. Weichel). In fact, practically all he has said was answered before it was spoken by the mover and seconder of this resolution. The hon. gentleman seems very much disposed to think that we who are opposed to him are actuated by hypocrisy. I can assure him that I am thoroughly sincere in any remarks I may make on this question. The hon. gentleman seems to be under the impression that we should not interfere with the ideas of the ages; that because our forefathers believed a certain thing we must also believe it. If we adopted that theory, there would be an end to progress. The hon. gentleman is very desirous of educating people along temperance lines. How did he propose to do it? He proposed to educate them by the licensing system. I should like to ask him what the licensing system has done within the last five hundred years towards educating people along temperance lines? I am well aware that it has done a great deal towards educating people along the lines of drunkenness. The open temptation provided through the licensing system has been the greatest incentive to drunkenness the world has ever known. We may not be able, as he says, to legislate virtue into men's lives, but at least we can legislate temptation out of their way, and indirectly make them a little more virtuous. The hon. gentleman was very anxious that we should devote our energies towards preventing accidents from machinery and so on, and towards lessening the social evil.

I wonder if there is anything in the world that has done more to cause accidents and encourage the social evil than drinking, which the licensing system so largely promotes. My hon. friend seems very much opposed to prohibition in any shape; not only such prohibition as is contained in the Lord's Day Act, but prohibitory measures of every kind. It strikes me that the hon. gentleman is living four thousand years after his time. He should have been living at the time of Moses. When Moses was on the earth he gave ten commandments, which were all expressly or impliedly prohibitive. If my hon. friend had been living at that time he would have said to Moses: "That is all wrong; don't do it; your commandments will only make people steal more, lie more and kill more, and do this, that and the other more; the more you legislate along these lines the more evil people will do." I do not think Moses would have paid much attention to my hon. friend; nor need we.

A perusal of extracts from the early English statutes providing for the licensing of the liquor traffic shows that the necessity for regulation and restriction was a reason given for those enactments, but the desire to obtain revenue from the drinking habits of the people is also in evidence. I am convinced that the license system was conceived in sin and shapen in iniquity, and its results are what should have been expected from such parentage. In the early days of agitation for temperance legislation, the main argument against it was the financial argument, the effect on the revenue of the country. That has been met by counter arguments, which have largely convinced thinking people that the gains from such legislation will far exceed the losses. Advanced legislation along temperance lines had a difficult struggle for a time. Progress was very slow at first, and reverses common, but as people were given an opportunity to judge from results their fears decreased, their confidence increased, and progress was more rapid.

I do not purpose discussing the financial effects of prohibitive measures. I think most people who are open to conviction are already convinced that it pays to pass and enforce such measures. And after all, we cannot place a money value on the conduct and habits of the people. We cannot estimate in dollars and cents the value of vigorous manhood. What compensation can we accept for the tears, anxieties and miseries of the wives and mothers of our land, caused by drunkenness of husbands and sons? What is a man profited if he gain the whole world and lose his own soul? Or what can a nation accept in exchange for the moral, intellectual and physical manhood of its citizens? There are profits and losses, the extent of which cannot be set out in terms of dollars and cents. We do not hear so much now about the loss of revenue. We hear more about interference with personal liberty. Well, laws generally define and restrict our liberties. We must

have either interference with personal liberty or anarchy.

We are also told that prohibitive measures are ineffective and that there is more liquor consumed under prohibition and local option than under the license system. If that be true we would naturally expect distillers and brewers to be the most enthusiastic supporters of prohibitive legislation, but their support has not yet been very conspicuous. If we are to judge faith or belief by works, we must conclude that those who are financially interested in the increased consumption of intoxicants believe that their profits will be greater under the license system, and that their trade will eventually be destroyed by prohibitive legislation, should such legislation be generally adopted, and we must also conclude that those friends of prohibition who have no interest in the matter outside of their desire to better humanity and to decrease the consumption of liquors with the evils resulting therefrom, are of a like mind. Surely these people are not all in error. Surely there is some foundation for their practically universal faith as shown by their works.

This question has been before the House on many occasions, and in various forms, but heretofore it seems to have been felt that public opinion was not sufficiently advanced, that the people were not quite ready for complete prohibition for all Canada. That objection can hardly be said to exist now. The advance in public sentiment has been shown by the rapid increase in the number of places throughout Canada where liquor Acts of a prohibitive nature have been put in force, and this advance has been more rapid since the commencement of this great war. The present seems to be a time when this Parliament is in duty bound to enact prohibition for the whole Dominion, because the people of Canada, from coast to coast, are insisting, in tones the earnestness of which must not be underestimated, that we shall now enact legislation for all Canada to prevent the importation, manufacture and sale of intoxicating liquor, at least during the period of the present war, or better still, for all time. Although I intend to vote for the resolution, I do not think that prohibition should be confined to the period of the present war; I believe

10 p.m.

that we should have permanent prohibition and that the people of Canada are in favour of such a measure. If, however, we have prohibition for three years or more, we shall have prohibition thereafter, if we are to depend on a vote of the people, so that there is not much difference of opinion between my hon. friend and myself. I am in the habit of attending the conventions of the Saskatchewan Grain Growers' Association, of which we sometimes hear in this House. At the last convention, which was held recently and at which I made it a point to be present, this question came up and a vote in favour of Dominion-wide prohibition, without any rider attached as to time, was passed unanimously. Further than that, the officials of the three Western Grain Growers' Associations met together a short time ago and passed a similar resolution.

If we are to have prohibition only for the duration of the war, the resolution proposed by my hon. friend from Kings (Mr. Hughes) should also be adopted by the House, because, if we are not establising prohibition permanently, we should give the provinces and municipalities power to go further than they have been able to go under the law as it exists at present. I am not wedded to any particular plan, and, as I understand that there is considerable objection to amending the British North America Act wherever it can be avoided, other means could be devised whereby without amending that Act, we might accomplish the same purpose as my hon. friend has in view. I have no doubt that the Minister of Justice could frame some such legislation. I had my attention called by the hon. member for Saskatoon (Mr. McCraney), who has been heard in this House frequently and always with great attention, to an amendment of the Canada Temperance Act in 1908, and from a careful perusal of that amendment, I believe that the underlying idea and something more might be made use of in this resolution. I refer to section 117 of the Canada Temperance Act which, as amended in 1908, reads:

> From the day on which this Part comes into force and takes effect in any county or city and for so long thereafter as and while the same continues or is in force therein, no person shall, except as in this Part specially provided, by himself, his clerk, servant or agent—
>
> (a) expose or keep for sale, within such county or city, any intoxicating liquor; or,
>
> (b. directly or indirectly on any pretense or upon any device, within any such county or city, sell or barter, or, in consideration of the purchase of any other property, give to any other person any intoxicating liquor; or,
>
> (c) send, ship, bring, or carry or cause to be sent, shipped, brought, or carried to or into any such county or city, any intoxicating liquor; or,
>
> (d) deliver to any consignee or other per-

son, or store, warehouse, or keep for delivery, any intoxicating liquor so sent, shipped, brought or carried.

2. Paragraphs (c) and (d) of subsection 1 of this section shall not apply to any intoxicating liquor sent, shipped, brought or carried to any person or persons for his or their personal or family use, except it be so sent, shipped, brought or carried to be paid for in such county or city to the person delivering the same, his clerk, servant, or agent, or his master or principal, if the person delivering it is himself a servant or agent."

This section of the Canada Temperance Act has accomplished very little; but if this enactment is intra vires, it will be equally so, even if section 2 is struck out, and then it would provide that liquor could not be sent, shipped, brought, or carried into local option territory, and although I have not gone into the matter very carefully, I have not heard that this provision is ultra vires.

I have here an extract from a judgment of the Chief Justice of the Supreme Court, in the city of Fredericton vs. The Queen. The beginning of the report is at page 505, vol. 3, Supreme Court Reports, Canada, but this extract appears at page 530, and is as follows:

If the matter dealt with comes within the class of subjects assigned to the Parliament of Canada, I can find in the Act (that is, the British North America Act) no restriction which prevents the Dominion Parliament from passing a law affecting one part of the Dominion and not another, if Parliament in its wisdom thinks the legislation applicable to and desirable in one part and not in the other.

If these words of the then Chief Justice of Canada are correct, I think there is very little danger of a provision such as I am suggesting being declared ultra vires. The passing of such legislation would be merely applying to one particular portion of the Dominion a power which Parliament undoubtedly has the right to exercise in respect of the Dominion as a whole. So far as I know, no one has ever taken exception to the judgment of the Chief Justice in that respect. I assume, therefore —my hon. friend, the Minister of Justice, will put me right if I am wrong—that Parliament has the power to enact such legislation as I have suggested. If we are to have prohibition merely during the period of the war, we should make such provision as will enable any provinces or municipalities which have adopted legislation looking to prohibition to establish a further prohibition, if you like, than they were enabled themselves to obtain. That is, we should provide that in such places liquor may not be manufactured or imported. The hon. member for Saskatoon (Mr. McCraney) suggested that an enactment of but two sections would be sufficient to make this provision, having in regard the case of provinces like Alberta or Prince Edward Island, which have already adopted prohibition. Let me make another suggestion, if it is not amiss. If the Government should provide that such legislation as I am proposing should not take effect until ratified or confirmed by Order in Council, they would be in a position to go carefully into any restrictive proposals that might exist in counties or provinces, and themselves decide whether or not these counties or provinces had gone as far as they could. Another advantage of such a course would be this: The Government would be enabled to consult the county or province before bringing the legislation into force; they might, if they wished, not pass any such Order in Council until the province in question had requested that the legislation be brought into effect.

It seems to me that the present is the time when this matter ought to be thoroughly dealt with. Notwithstanding anything that may be said, the people of Canada are ready for such legislation as is proposed. They are anxious that we should pass the most stringent legislation in this matter. I believe that the people of Canada will stand by us in the matter of establishing permanent prohibition. The most popular move the Government could make now would be to pass a measure of permanent prohibition for the whole Dominion. If they cannot see their way clear to do that, I hope they will at least see their way clear to giving us prohibition during the war and for a reasonable period thereafter, and that they will see that the license system is not again brought into vogue unless it be approved by the vote of the people. Whether or not we pass legislation for the period of the war, I think it would be well for the Government to consider carefully the advisability of making some enactment, whether by way of amendment to the British North America Act, or by way of prohibitory legislation, applying to the sale, importation and manufacture of intoxicating liquors in all places where the strongest possible measure of prohibition has already been adopted. I trust that I have made myself clear to the Minister of Justice; I submit

these matters for his consideration, and trust that they will receive careful attention at his hands. I hope that, whatever we do, we shall not allow this occasion to pass without showing that we recognize the strong and healthy sentiment that prevails throughout the whole of the Dominion in favour of an effective measure of temperance legislation.

Mr. CHARLES J. THORNTON (Durham): Mr. Speaker, with your permission I should like to discuss some matters which I believe are of importance in connection with this question. I congratulate the mover (Mr. Stevens) and the seconder (Hon. Mr. Marcil) on the ability with which they have presented the case. I take exception to some of the things that the member for North Waterloo (Mr. Weichel) said in connection with this matter. One of the things he said was that we should leave law-making to law experts. I should like to commend to the attention of the hon. member for North Waterloo what has occurred in the legislature of the province of Ontario within the last few days. I would commend to him the words of the Premier of the province and of the leader of the Opposition as well. Each of these gentlemen says that he has the backing of the rank and file of his party behind him. Commenting upon a speech delivered by Premier Hearst last Thursday in the Provincial House in Toronto, a press report has this to say:

> Premier Hearst said there was not now nor had there ever been room for difference of opinion as to the evil effect of intemperance or as to the fact that these evils existed in this province, although happily to a much lesser degree than in most places. The only difference of opinion was as to the best method to adopt, as to the best laws and the most beneficial course to take. He deprecated the branding by temperance workers of men with whom they could not agree as foes of temperance. Notwithstanding the drastic legislation the Government was about to submit he was well aware there were many conscientious men who might disagree with the Government and who honestly thought that a prohibitory measure would not attain the end sought.
>
> There is, I believe, a call now—a most earnest and special one—for service and sacrifice by everyone in this Province and in every part of the Dominion, and every reasonable step should be taken at this time of stress and strain that will add to the strength of the country and conserve our resources in every way possible for the great task. It is surely a time for all of us to abstain from luxuries and extravagance in what we wear and what we eat as well as in what we drink.
>
> In view of the dangers which confront us, which perhaps we do not fully realize here, and after full consideration of the question from every standpoint, the Government has come to the conclusion that the time has arrived when furthur legislation might be enacted with advantage to the temperance cause and without introducing greater evils than those we are attempting to destroy.

This is strong language coming from the Prime Minister of Ontario. In his answer the Leader of the Opposition, Mr. N. W. Rowell, said:

> I want to say this to my honourable friend the Prime Minister, and I want to say it to the members of this House, that while I may have my own view as to method of dealing with this matter, I have already placed myself on record as to what I would do in case the Government would introduce proposals of this charcter. By the statements I have already made in this House and which I have made elsewhere, I am prepared to stand, and I will give my cordial support to the Government in carrying out the proposals they submit if the proposals are, as I understand they are to be, as outlined in the Speech from the Throne.

I think that answers the statement of the hon. member for North Waterloo (Mr. Weichel) that we should leave this question to law-making experts. He says further that cant, hyprocrisy, and deception actuated prohibitionists. He further says—and I commend the statements to the House as the members will know how much weight to attach to them—that the grapes, the apples, the rye, the wheat, the potatoes, are all necessary for making of this luxury that men ought to have. He further states that the men who are pushing this measure are a few well paid organizers. I commend that to the hon. member for Vancouver (Mr. Stevens) and also to the seconder of the resolution (Mr. Marcil). The hon. member says that the more wine that is produced and used the less drunkenness. He says that prohibition is a failure and promotes vice and crime. I have just one answer to make to that: if prohibition does not prohibit, why then do the manufacturers of liquor and the dealers fight it so? The hon. member says that we ought to abide by God's law and that we ought not to say what a man should eat or drink. If God's law says anything, it is full of this: "Thought shalt not"—Prohibition complete.

Prohibitionists have no quarrel personally with the men who are engaged in the liquor business, some of the best men I know are engaged in that trade; their qualities are of the very best and they are men who are needed in the work of the world. Neither these men or their good qualities are to be destroyed, but they are to be put to a better use. In view of something further that the hon. member for North Waterloo said,

I think it would be well to go back a little in connection with the history of licensing, especially in Great Britain. The object of liquor laws is to check the evils arising from the immoderate use of liquor in the interest of morality and public order. We might well ask what gave rise to the necessity of there being any law to regulate the sale of liquor or what created that demand for a law. There are two or three things which we might mention. The more refined people got the more they saw the necessity of checking a thing that was evil. Medical influence had something to do with it, and the growing attention paid to health. One of the causes that prompted the making of license laws was the suffering and want and awful waste that followed in the trail of the liquor business. The evil resulting from the excessive use of alcoholic liquors is greater in colder climates than in warm climates. The tendency to strong drink is greater in northern Europe than in southern Europe, and, to the shame of some of us, the tendency towards strong drink of the people who inhabit the British Isles, English, Irish, and Scotch, is more marked than in almost any other nationality on the face of the earth. I do not like to say that, because there is a good deal of English blood in my veins, but it is the fact, nevertheless. In 1551 and 1552 licenses in England could be obtained only through two justices of the peace. The evil which it was sought to remedy was not only excessive drinking, but idling and disorder. The Act seems to have been of some effect, for no further legislation was enacted for fifty years. Here is something that the hon. member for North Waterloo (Mr. Weichel) would do well to take into account when he is talking of the virtue of the liquor traffic. In 1732 the city of London had a population of 750,000. It contained 95,988 houses, and of these, 15,286 houses were licensed for the retail sale of liquor, or one out of every six houses had a license to sell liquor. The debauchery, the idleness, the vice, the squalor in the city of London at that time is described by those who wrote on the subject as something terrible. A duty of five shillings a gallon was placed on the distiller under the law and the retailer paid £20 a year for a license to sell. In 1736 high license was tried, but it was found to be a failure. And these Acts, and the amendments to them, clearly recognize the connection between public disorder and public houses, and that connection has been close from that day to this. Those older public houses were ale houses, where fermented liquors were consumed. Spirits had not come into general use as that time, and wine could be consumed under this law only by the aristocrat and the wealthy man.

There are four ways of regulating the liquor traffic: First, by license, which is the oldest and most widely adopted method; secondly, the Scandinavian system, which is not carried on for private profit. That system was adopted to remove the temptation to excessive drinking and the profits from it, if any, go to the State. The third is by State monopoly. Under the system of State monopoly, the State controls the business and gets all the profit. That is the system which was in operation in Russia, and that is why it was so easy to enact prohibition in that country. The control of the liquor traffic was not in the hands of the people; hence, when the statesmen of Russia came to the conclusion that prohibition would be in the interests of country, all they had to do was to enact legislation of that kind without any reference whatever to the people who were so subservient to the powers that be that they readily and quietly obeyed the law. The fourth way of dealing with the liquor traffic is by prohibition, which may be general, or local.

In the discussion which has taken place here to-day, it would seem that almost everything that could be said on this question had been said. The economic side of the problem has been fully treated both by the mover and seconder of the resolution, and it would seem that scarcely anything further could be said without repetition. I shall endeavour to avoid repetition. The opinion based on experience of men in authority, not only in Great Britain but in United States and Canada, is that drink is a curse, and that it should be abolished; in other words that we should have prohibitory legislation. Sir Wilfred Lawson was authority for the statement that in Glasgow, the Lord Provost, during a certain number of weeks he had administered relief to the distressed in that city, had asked every applicant whether he was a teetotaller, and he found he had not one teetotaller coming before him for relief. Abraham Lincoln in his time said:

> The most effectual remedy for the drink evil would be the passage of a law altogether abolishing the liquor traffic except for mechanical, chemical, medicinal and sacramental purposes.

William Murray, for nineteen years superintendent of an alms house in Brooklyn, New York, said:

> My opinion is that liquor is the principal cause of pauperism. If there had been no liquor drunk, say for the past one hundred years, there would be almost no pauperism, and there would be no poor houses.

I should like to quote a few statistics that have been gathered in a number of states showing the percentage of paupers caused by drink. In the institution at Worcester, Massachusetts, 90 per cent of the male criminals and paupers, and 70 per cent of the females, were there through strong drink. In the city of Albany, New York, nine-tenths of the pauperism was caused by strong drink; in Meadville, Pennsylvania, nine-tenths of the pauperism was due to the same cause. In Minneapolis at least eighty per cent of the pauperism and poverty and crime was due to strong drink.

I read a statement some time ago to the effect that in Kingston Penitentiary 75 per cent of the inmates were there through strong drink. Dr. Howard Crosby says:

> I have been watching for thirty-five years and in all my investigations among the poor I never yet found a family borne down by poverty that did not owe its fall to strong drink.

Horace Greeley said:

> Most of our paupers have become such through the use of alcoholic liquors—often by themselves, sometimes by their parents or other guardians. We estimate that nine-tenths of the paupers in our country were made so directly by strong drink.

The question may be asked, why is it that strong drink should have the effects charged against it? One thing it does is to divert money from the grocery stores, shoe shops, clothing stores and other legitimate businesses. In the speech delivered by the hon. member for North Waterloo (Dr. Weichel) he quoted to us opinions of men who disapproved of prohibitory measures. I am sorry to find him in what I consider rather bad company. Who are the men in this country that are defending the liquor traffic, and who are the people who are opposing it? How many women whose husbands patronize drinking places are defending the traffic? How many boys and girls who have suffered from lack of food and clothes, because of the waste of money on drink by their fathers, are defending it? Compare to-day the saloon or the places where drink is sold, with the churches in the matter of contributing to the order and well-being of the community.

Does it improve the reputation of a man to be known as a frequenter of a drinking place? Like other members of this House, I have had young men apply to me for positions, and what is one of the first questions that we ask? We want to know at once what the young man's habits are; we want to know whether he is a user of liquor or of tobacco. Tobacco is not included in the resolution before the House, but I class liquor and tobacco together. We see notices posted up in this building by order of the Minister of Public Works that there must be no smoking except in three places in this building. I want to say something which perhaps other members may not favour, but I see men every day in this building violating that order and smoking in different rooms in the building.

Why was that notice put up? It is because there is a lurking suspicion in the minds of men inside and outside of this House that the burning of the Parliament Buildings was due to somebody dropping a match or a cigar stub or cigarette stub, and it is hoped by this rule to prevent a recurrence of such a disaster. Yet every day there are members of this House who violate that rule. I call the attention of the Government to that fact.

We are often asked: why should you be prejudiced in connection with this drink business? The hon. member for Vancouver (Mr. Stevens) related an incident that occurred in his own city, showing that the family of an otherwise reputable citizen suffered untold miseries because of his indulgence in drink. The part of the country in which I live, I presume, is an average country district. Within five miles of the place where I was born and brought up inside of fifteen years there were twelve violent deaths from strong drink. In the township in which I lived there were at one time fifteen licensed hotels, and I presume that a similar proportion held good for almost every township in that part of Ontario. It was impossible to travel those roads a single day of your life without seeing from one to a dozen drunken men. To-day it is a rare thing to see a man drunk in that township, for there is not a license in it nor within twenty miles of the place where I live. Some of the most brilliant men this province has ever seen came from that section of country—professional men, doctors in particular. I know five doctors who were boys when I was a boy, all wonderfully successful practitioners, and all

five went down to premature graves through strong drink. The question, as I say, is asked, why we should object to this, why we are not willing that every man should have his liberty without restriction? I think the facts answer the question.

A great deal has been said about soldiers being allowed to have liquor. There are two sides to that question. When large numbers of men are together whether soldiers or others, there is often a temptation to drink. And I want to say right here that a debt of gratitude is owing to the Minister of Militia (Sir Sam Hughes) by the people of this country for what he has done to prevent drinking among our soldiers. I find on looking over history that the same difficulty has confronted other countries. During the American Civil War, one of the greatest obstacles to the success of the Union troops was excessive drinking. It was found necessary to pass a law during that war to prohibit men from giving liquor to soldiers. Abraham Lincoln was strongly in favour of that reform and signed an Act of Congress on the 5th of August, 1865, providing that the person should be liable to a heavy fine who sold liquor to soldiers.

Something has been said in this debate about the success or failure of prohibition in the United States. Prohibition has accomplished something in that country. A careful estimate shows that after the municipal elections of April, 1915, there were 2,173,819 square miles of territory in the United States in which the saloon is forbidden. There are 32 states in which the combined number of saloons is less than in the city of Chicago. A population of over 46,000,000 of people in the United States, out of a total population according to the last census of 92,000,000, are now living under no license. Of the 2,856 counties in the United States, over 1,700 have abolished the saloon. There are over 500 cities of a population of 5,000 or more, and also 200 cities of a population of 10,000 or more, in which saloons have been abolished. In nine states, with an aggregate population of about 15,000,000, there is state wide prohibition.

I want to say a little, and a very little, on the economic side of this question. The statement has been made by men who have had experience that the drink traffic is the enemy of the factory and of the efficiency of labour. At the closing session of the National Congress of Industrial Safety, in Chicago, on the 15th of October, 1914, resolutions were passed pledging the members to the elimination of alcoholic stimulants in their plants and factories. The National Congress of Industrial Safety represents 500 of the leading manufacturers of the United States, who employ over 1,000,000 workers in their factories. Mr. R. L. Palmer, chief inspector of the Pennsylvania Department of Labour and Industry, stated that 60 per cent of the industrial accidents were due to liquor. He said further:

> It will not be long before the saloon will be as much separated from the industrial plant as it is now from the church. As a matter of business, we will have to pay in cash, to prevent men from going to the saloons to convert their checks into currency.

A proposition was made by Mr. E. K. Pritchett, representing one of the largest manufacturing concerns in America, that, after employees had been forbidden to use alcoholic beverages, milk wagons should call at the factory, at a certain hour every morning. He goes on to say:

> We then permitted the men to stop work, and go out and buy fresh bottles of milk. We find this arrangement has practically solved the drinking problem.

Our attention has been called to-night to the action of leading manufacturers of this city who have endorsed the resolution now before us. Mr. Booth, one of the largest, if not the largest employer of labour in Canada, has had perhaps a longer experience than any other manufacturer, and he is most insistent that the one way to remedy the evils under which his employees suffer is to enact prohibitory legislation.

There is one other thing I should like to mention, and I am sure the other members of the House will be very gratified to learn of it. I asked the Sergeant-at-Arms to-day whether liquor was dispensed in this building, and he said that neither he nor any other man that he knew of could get anything stronger here than Tally-ho water. I am sure honorable gentlemen will be glad to know that. I will go a step further and urge upon the Government that no provision should be made in the new Parliament building for the dispensing of liquors of any kind. I see ladies in the gallery, and I hope that all the influence of the sex will be brought to bear so that never in future will liquors be dispensed in the Parliament of Canada.

Some hon. MEMBERS: Hear, hear.

Mr. THORNTON: There is one other point I should like to mention. Perhaps it may be thought too serious a matter to be intro-

duced in this House, but these are war times and we should be prepared for almost anything. I have left out a good deal of material that I had intended to touch on in the course of my remarks, but what I am now going to mention affects everybody. In every church of the Dominion of Canada yesterday, Roman Catholic and Protestant, prayers went up to the Almighty that He would stop this awful war. In almost every home in Canada prayers go up every day that God will intervene, and by some means stop this awful bloodshed. The question arises almost every day in the thoughts of every man, "Why does God not answer these prayers." This may seem too serious a matter to introduce in this House, but I repeat that these are war times and that nothing is too serious to talk about. The most serious question before the people of Canada and Great Britain to-day is: Are there some things that we and the people of Great Britain, and perhaps of our Allies, are indulging in that prevent God from answering the prayers of His own people? Is the millstone that is around the necks of the people of the whole British Empire this liquor traffic? As sure as day follows night the Scripture is true when it says: "Be not deceived; God is not mocked; for whatsoever a man soweth, that shall he also reap." It is just as true of nations, and it is just as true of nations to-day as of nations in all times of the world's history. We cannot read the history of the children of Israel without coming to the conclusion—the whole world knows—that whenever they did the thing that was right in God's sight they defeated their enemies and prospered; but whenever they did the things they ought not to have done their enemies defeated them. Are we in that position to-day? Is there selfishness, not only in individuals, but in communities and in nations? Perhaps we are not willing to deny ourselves in order that this country may be cured of this evil. Perhaps that is the real reason why God does not answer our prayers and deliver us from this awful scourge of war. Where should there be a beginning towards bettering conditions—a beginning which we know would bring relief? I do not know a better place than the House of Commons of Canada for the movement to start and I believe that we ought to deny ourselves of the things which we know are not conducive to our good and to the good of this nation. We ought to rise in our might and cast this curse of strong drink out, for just as true as we are here to-day, the Scripture I have quoted is true. Further than that, the Scripture tells us "Not by might, nor by power, but by my spirit, saith the Lord of Hosts." When we get to the point where we are willing to forego any luxury and bear any hardship, so that God can help this country, then I believe that victory will come to the Allies, and not till then. Is the liquor traffic one of the evils that is keeping us down and withholding the Almighty from answering the prayers of His people? It looks to me very much like it. If this is so, I believe this Government ought to move in the matter in the way indicated by the mover of this resolution:

Mr. L. J. GAUTHIER (St. Hyacinthe): Mr. Speaker, I have listened with the utmost attention to the speeches that have been delivered in this House this afternoon and evening supporting the motion which is now under discussion. After a careful study of the questions of temperance and prohibition, and after following very closely the trend of the arguments that have been advanced here to-day, I have no hesitation in declaring that I am still of my former opinion. The hon. gentleman who has just sat down (Mr. Thornton) seems to be under the impression that even the liberty of members of this House should be prohibited, if they do not hold the same views as he does. I had expected that the apostles of prohibition would give us some reasons why the trade which has been acknowledged by law should be prohibited; I had expected that the members who wished to create a new state of affairs in this country would appeal to our minds. With a full knowledge of what is in store for those of us who have the courage to express our views against prohibition, I say without fear that I am opposed to this resolution. Let me give my reasons. First of all, those who favour prohibition want to ensure the cause of temperance. In my opinion, which is borne out by the lessons of history, prohibition, instead of promoting temperance is its bitterest enemy. That is one reason why I am opposed to prohibition. Every one admits that the abuse of strong liquor is a danger. If you tell me that alcohol has caused a great deal of evil in this world, I admit it immediately; but, to cure an evil, you must find a remedy which will be a certain cure. The question of pro-

hibition is as old as the world; it was known even amongst the tribes of the Jewish people, because the Essenians and the Rechabites were in favour of prohibition. There has been prohibition in England. My hon. friend (Mr. Thornton) has spoken of England in 1732 and 1736. Why did he not tell us of England in 1734 when a prohibition Bill was passed? After two years' experience, the House of Commons unanimously repealed that law, and the House of Lords voted in favour of the repeal by 84 to 52. Lord Chesterfield, who opposed the Government, was compelled to admit that prohibition in England did not give the results which the English people expected. Immorality prevailed, debauchery was greater under prohibition than before, and intemperance was so rampant that the British Parliament was compelled to repeal the Act.

Some hon. members have spoken of prohibition in the United States. I do not want to speak against the United States, but, according to the lessons of experience, drawn from that country, prohibition is an impossibility. You must stop the distillation, the transport and the consumption of liquor and that you cannot do. Certain of the states tried that cure, but the result was that kitchen stills were started where they used tea kettles and a pint of molasses with which to distill whisky. I have in my hand a treatise written by the bitterest opponent of alcohol, Dr. Bertillon, of Paris, the inventor of the anthropometric system, and chief of statistics of that city. He has studied everywhere the question of prohibition and temperance; he has travelled through all the United States, and through all Europe. The result of his studies is that prohibition is an impossibility in the cities although it may succeed in the rural districts. He says that the only system which has shown any appreciable results is the Norwegian system. The use of alcohol as a beverage is acknowledged by all religions, namely the Hindu, the Jew, the Christian, the Greek, the Roman, the Scandinavian. You can regulate the liquor traffic; you can enforce the law stringently, but prohibition will never prohibit distillation; it will prohibit liberty, it will prohibit the license holder, but it will not prohibit the consumption of alcohol. In Norway the state buys every pint of alcohol that is distilled by any distiller, and that alcohol is handed over to the state chemists by whom it is rectified, and the power to sell intoxicating liquors is sold to a combine which had scalaags where alcohol is sold to the consumer. Every one who goes into one of those establishments knows what he is going to get and what price he will have to pay. If he wants a drink he goes into one of those establishments which are open places and well-kept, and the result is that, since the establishment of that system, intemperance has decreased in Norway.

I have to-day listened with a certain amount of curiosity to the speeches delivered by hon. members. One hon. member quotes the opinion of one man; another quotes the opinion of some one else—you can play with the opinions of men, because this is an open question, and you will find as many men in favour of prohibition as against. Other hon. members are playing with statistics. If you were to listen to all the statistics that have been given here this evening, or if you were to read all the statistics for and against prohibition quoted here, you would be compelled to admit that everything bad was due to alcohol. As has been stated by the hon. member for North Waterloo (Mr. Weichel) the Koran prohibits the use of alcohol; but who will say that Turkey is not a degenerate country where crime after crime is continually committed to the disgust of humanity, and, as the Turks do not drink, these crimes cannot be due to the curse of drunkenness. Spain, where hatred, where vendetta, where the bitterest passions of humanity are in full flame, is the most temperate country in the world.

The climate of Spain does not induce people to drink, but in all countries where hard liquor is used, I say that it is the duty of free men who hold public positions to stand up and defend liberty. When you look at the history of the places where prohibition has been in operation, what do you find? You find that trade in alcohol goes on. In the states of the Union where prohibition has been enacted, and where they boast of having legislation of that kind on their statute-book, they have invented the pocket-pedlars who go from place to place in the city with flasks in their hip pockets, offering drinks to all who want to pay for them. Is that the kind of system you want to establish here? Do you want to have in Canada, where we boast of our liberty, a system under which the home of every free man, the cellar of every free man, will be under the supervision of the policeman? Do you want to have a system which has increased perjury, which has increased intemperance, which has increased immorality? Sir I do

not want to be harsh towards those who do not entertain the same views as I do. They say that in order to have peace we should pray the Almighty to do away with our imperfections. Well, Sir, this would be a nice state of affairs, but I am afraid we shall not succeed in bringing it about this year. There is in the world a tornado of folly which is sweeping over humanity at the present time. If you want the proof of that, look at the war that is now going on. You see the Catholic Austrian combined with the Protestant German, the Mohammedan Turk linked with the unbelieving Bulgarian. What are they seeking to accomplish? They seek to crush liberty, while the Allies are fighting for the preservation of liberty and civilization. At the very time when the Allies are exerting all their power and giving the best of their resources, the best of their blood, the best of their manhood to this purpose, gentlemen get up in this House and seek to tamper with the liberty of the citizen. It appears to me, Sir, that we are subject to a special kind of disease. Every once in a while in this world we come in contact with people who believe that they are redeemers; they want to redeem humanity. They pretend to be a real Christ; they want to redeem; they want to preach. They are willing to follow the path that leads to Golgotha, but, although in this case they would like to crucify the individual liberties of our people, they are not willing themselves to be crucified. When some men, imbued with the real principles of liberty, stand up and plead for the maintenance of that liberty, prejudices are brought to bear against them and abuses are heaped upon their heads. As one hon. gentleman has said: it is easier to go with the crowd; it is easier to drift with the current. But, having studied the question, and having heard from opponents not a single sound argument why the course suggested should be pursued, in my humble opinion it is better for each man to stand firmly by his convictions.

I must congratulate the member for Vancouver in that he went one better than many persons with whom I ever discussed the matter of prohibition in that he dealt with the question of compensation. But, to my mind he did not go far enough. The liquor trade is a legalized trade; it is acknowledged by the law of the land. Men who have invested their capital in a trade that is recognized by the law of the land are entitled to the protection of the law of the land. If you say that in the public interest, you want to get rid of the liquor trade, then, as the first article of your programme, you must state that you are going to expropriate the property of individuals, because they will be forced to make a sacrifice for the benefit of the community. But the apostles of temperance and of prohibition do not think of that. They have decided that they have a mission, that mission being to punish the individual for the benefit of the community without giving the individual so punished any compensation. Is that fair? I say, no. All authorities who have written on this subject state positively that when a measure of prohibition is to be enacted, the people ought to know what they will have to pay for it. The hon. member for Vancouver suggested that the properties of distillers and brewers should be expropriated by the Government. Well, what will he do with the wholesale traders, and with the retail traders? Is it fair to enact a law of prohibition which will deprive the men who have invested their capital in the legalized liquor trade not only of their earning power, but of their capital? I say no. When a measure is submitted to this Parliament providing that there shall be no more distillation, no more importation of liquor, no more consumption of liquor, and that the properties of those who have invested their money in the liquor trade shall be expropriated, then, and not till then, should we discuss the matter.

The hon. member for Bonaventure stated this afternoon that forty-three provincial constituencies in the province of Quebec had gone dry. I should like to tell you, Sir, what has been done in the county of St. Hyacinthe, which was mentioned by the hon. member for Bonaventure. The county went dry by a vote of the county council. The mayors of the different parishes who were present at the meeting were told: "You do not need a license in your parish; you can get all the supply you want in the town of St. Hyacinthe; better vote for prohibition in your different parishes and you will get all the supplies you want in St. Hyacinthe." In the month of January the prohibition advocate came to St. Hyacinthe and wanted to have St. Hyacinthe dry. They said to the people: "We don't want you to stop drinking if you want to drink, but you will get all the supplies you want from Montreal." Do you think, Sir, that men who have a just cause should take such means to arrive at their object? I can say more than this. In certain parishes—and I know that in the

papers of my province and perhaps in other provinces I shall be taken to task for this to-morrow or before the next election—in order to get a vote the parishioners were called to the church, all the parishioners had to swear, and then they started in procession for the poll where the authorities were present to see how the people were voting. And you claim that this is the free expression of the will of the people, in an open vote, in the year 1916, at a time when everybody has liberty to attend to their municipal, their school, their parochial, their parliamentary business with a secret ballot. We still have in the province the open ballot. Such is the case and such was the way the vote was taken in more than one parish. And now that this vote has been procured, we hear on the floor of the House: You have so many counties that went dry, you have so many cities that went dry. In the list of parishes quoted by the hon. member for Bonaventure (Mr. Marcil), there were two parishes in the county I have the honour to represent. I am willing to bear the responsibility of what I say now. I would rather go back to private life, holding the opinion I do, and after having studied the question as I have done, rather than lack the courage to stand up in this House and say: Beware, because you cannot compel me to practice a virtue by a law enacted by any parliament. Charity is a virtue, but do you think that this parliament should pass a law to compel me to be charitable? Should this parliament pass a law compelling me to be temperate if I did not want to be? No, sir, it is an encroachment on the liberty of the people. Consult the people, and if they are willing to have prohibition, give it to them; but enforce the law and see that those who have made the sacrifice of their liberty reap the benefit of this sacrifice. Sir, I hope that every hon. member who has done me the honour of listening to my remarks will admit that, holding the opinion I do, I yet respect the opinions of those who differ with me. They are perfectly at liberty to have their opinions, but I claim for the representative of the riding of St. Hyacinthe the right to have his opinion and to express it in the House of Commons.

Mr. WILLIAM WRIGHT (Muskoka): Mr. Speaker, the question of the prohibition of the manufacture, importation and sale of intoxicating liquors is a very old question indeed. It has been discussed before the public of this country for more years than I can well remember. It has been discussed in this House on many occasions, and in the various legislatures of the provinces which comprise this Dominion. It has been discussed before the county councils, before the municipal councils, in the parishes and in the various churches. It has been discussed in the papers to a very great extent indeed. If all the words that have been spoken and written on this question in the Dominion of Canada were summed up, we should arrive at the conclusion that it has been discussed to a much greater extent than any other public question in the Dominion of Canada. So I do not feel that I am called upon to say anything to elucidate the very great evil that the drink traffic has caused in this great country of ours. The immoderate consumption of intoxicating drink is an evil admitted by every man in the Dominion of Canada. It is only when we come down to the question as to whether there is such a thing as the moderate use of intoxicating drink that there arises a difference of opinion. I have the very greatest respect for those who are accustomed to drinking in what they are pleased to term moderation, for that large class in the community who can take it or leave it alone. Usually they proceed to demonstrate the first part of the proposition, and then they expect us to take their word for it that they can leave it alone. As to the right of this Parliament to deal with this question, I feel that we have that undoubtedly. This evil is so great that I think the people of this country have delegated to us the power to deal with it, and they expect us to take the position of responsible representatives, and to say yes or no to the proposition that is here before the Chair. Personally, I feel like endorsing the position of the mover and seconder of this resolution, because I think the time has arrived that the hands on the dial of the clock have reached that point when something must be done with regard to this great question. How are we to deal with it? It seems to me that there are two methods open, one to deal with it through the various provincial legislatures, and the other to deal with it through this Dominion Parliament. What are the objections to dealing with it through the legislatures? One of the objections that has been raised is that they have not sufficient jurisdiction to prohibit the manufacture of intoxicating liquors. That may seem a serious objection, but to my mind it is not altogether an insuperable objection. I think the powers of the provincial legislation should be supplemented by action or legislation

of this Parliament, or by an appeal to the Imperial Parliament to amend the British North America Act. What is the objection to dealing with it in this House? To my mind there are two, and these are the only things that can be brought forward as of any very great weight in prohibiting us from dealing with the question. First, a plebiscite was taken a considerable number of years ago, and when that plebiscite was taken the province of Quebec rose up in an enormous majority against prohibition. While the hon. gentleman who seconded the motion tells us there has been a reversal of public opinion in the province of Quebec, I do not know that that may be entirely correct. I do not think that at the time that vote was taken there was any more drinking being done in the province of Quebec than there was in any other province in this Dominion. I think the people of Quebec are just as sober as those in any other part of Canada, and I think that the objection that they raised to prohibition on that occasion did not arise from their love of strong drink. I think it arose from another source, and I am not too sure that the objection would not hold good to-day. I believe that the people of the province of Quebec object to the people of other parts of the Dominion interfering with what they consider their own affairs. They feel that they are quite capable of looking after their own domestic matters. I would like to see more proof from the province of Quebec that it would fall in heartily with any measure proposed in this House. We know that to-day there is a burning question as between portions of the province of Ontario and portions of the province of Quebec in regard to the schools, and I would be very sorry indeed to see this Parliament do anything that might lead the people of Quebec to think that the people of other portions of the Dominion were trying to force upon them views to which they might object. If I were satisfied about that matter, I would the more heartily support the motion before the House.

There is one other objection to the Dominion dealing with the matter—I wish to discuss this issue fairly—and that is the disinclination manifested in times past by some of the legislatures to enforce temperance laws passed by the Dominion Government. We know that they refused to enforce those statutes. We know that while the Dominion Government can pass legislation, the local governments provide the machinery for its enforcement. The Dominion Government is without the machinery required for its enforcement. This arrangement works out all right in regard to questions upon which there is no difference of opinion. Take the law in regard to murder, arson, stealing, and so on, upon which the people are unanimous; there is no hesitation in enforcing these laws in any corner of the Dominion. But when you come to such questions as the one before the House, in regard to which there is a difference of opinion, some people feeling that in quenching their thirst they are not guilty of any moral crime, it is a different matter altogether. We must admit that there is not the same moral sentiment behind liquor legislation that there is behind the laws relating to murder, and crimes of that sort. We have only to take the case of a man who stands behind the counter grasping for money at some hour during which the sale of intoxicating liquor is forbidden. He wants to enrich himself, and on the other side of the counter there is a man afflicted with a very great thirst, and having a coin in his pocket. There you have all the inducement to commit a crime.

So I say, it is much more difficult to enforce laws of this nature, than to enforce laws affecting other matters. We need a strong temperance sentiment to enable us to enforce laws of the kind that we are discussing. If we had an assurance from the various provinces that they would take hold of this question heartily and enforce a prohibitory law, I think we would have a complete case, and we might put the law upon the statute-book with a clear conscience, feeling that we had secured all the necessary machinery for its enforcement.

I have not attempted to make a speech to-night upon this question, but two or three things were said which prompted me to make a few remarks. The hon. member who has just resumed his seat (Mr. L. J. Gauthier) has spoken very strongly against prohibition. He told us that Turkey was a prohibition country, and apparently, he attributes the cruelty of the Turk, and the bad character which he possesses, to his sobriety. I wondered that somebody did not suggest trying to improve the Turk by supplying him with strong drink. It would make a very interesting experiment—strong whisky working a cure on the Turkish mind and character. In my limited experience of life, I have never seen strong drink improve the morals of anybody, and I do not think it would have that effect upon the Turk. If he is unspeakable now, I do not know what he would be if he were addicted to strong

drink. I have no doubt he finds something to assuage his thirst as people do in every land under the sun.

As to the desirability of adopting the Norwegian system, I have very serious doubts. All kinds of legislation have been passed to do away with the evils arising from the consumption of intoxicating drink, but success has attained them just in proportion to the prohibitory element in them. In my opinion the evil of strong drink is to be measured by the amount of drink consumed. Looking at it from every standpoint, weighing up what may be said in its favour, and what may be said against it, I have come to the conclusion that a prohibitory law will at any rate do more good than harm, and in consequence I am quite willing to see an attempt made by this Parliament to enact it. Therefore any legislation that the Government may introduce with the view of lessening the evil or of prohibiting it altogether will meet with my hearty support. In the meantime, I support the resolution moved by the hon. member for Vancouver (Mr. Stevens).

Mr. JACQUES BUREAU (Three Rivers and St. Maurice): I want to say just a word. I have been strongly opposed to prohibition in the town of Three Rivers for various reasons: first, as the honorable member for St. Hyacinthe (Mr. Gauthier) said, because I do not believe in encroaching on individual liberty; second, for local reasons, one of them the financial condition of the town since the conflagration of 1908; and third, I do not believe that prohibition prohibits. Some honorable gentlemen have expressed rather queer views. I heard speakers this afternoon express sorrow for the poor miserable drunkard who went home, licked his wife and threw out his children, and their cry was: punish the hotel keeper, however nice he may be, or however well he may educate and treat his children. They say: we want to stop the use of liquor, and to do that we are going to stop the sale; that is, they propose to make it a crime on the part of the vendor, because the article he sells is per se wrong, immoral, or subject to legislation, while at the same time they are going to let the purchaser go scot free, when he is the offender. I will support this resolution if it is amended, but it is up to the Minister of Justice to amend it so that I can support it. If it is the drunkard who does evil, let us punish him. Let us put in the Criminal Code a provision that whosoever shall have in his possession drink, or shall offer a drink, or accept a drink, or otherwise have intoxicants to dispose of, shall be punished by a fine for the first offence. Increase the fine the second time, and put the man in jail the third time. Do that, and I think you will not have to abolish the bar, nor expropriate the distilleries, nor buy out the breweries. And such a law you can enforce. There is a great economic principle that this Parliament, or anybody else, cannot tamper with. The law of supply and demand operates; as long as there is a demand for whisky they will find a way to supply it. Moonshiners and boot leggers will carry on their operations as in those parts of the United States where there is absolute prohibition. Stop the demand and the brewers and distillers which turn out the supply will soon cease.

Some people will say: Bureau is reasoning ad absurdum in that matter. It may be, but my reasoning is no more absurd than the proposal to punish the man who sells an article, on the ground that the sale is an immoral transaction, and to let free the buyer of the article, the man who really does the wrong, who goes home, beats his wife, and turns his children out of doors to starve. On the other hand, here is a man who is running a good hotel, who has a large family of children whom he educates and makes happy, and yet, in the form in which the temperance question is put before the House, this man is represented as a wrong-doer. As the resolution stands, I hold my position on the ground of individual liberty. But we are under special conditions. During the war we are called upon to make sacrifices, and I think the biggest sacrifice a man can make is the sacrifice of his liberty, since that is worth his life. Let us make the sacrifice, but let us make it properly. If you have two parties to an immoral contract, and both have entered willingly into that contract, punish them both. If you are going to punish only one, and that the one whom I consider less guilty than the other, I do not want to support the measure.

Mr. J. J. HUGHES: Would you give the provinces power to pass such laws?

Mr. BUREAU: If they are going to have the same kind of prohibition that they have in the province of Quebec, no.

Mr. HUGHES: Would you give the provinces power to prohibit the manufacture and importation of liquor?

Mr. BUREAU: I would leave that to the Minister of Finance. He already has enough embarrassments, and I do not want to add to them.

Mr. A. A. McLEAN: I move the adjournment of the debate. I suppose that the leader of the House will give us assurance that opportunity will be afforded us to resume the debate.

Mr. HAZEN: Yes, opportunity will be given to continue the debate at an early day.

Mr. GRAHAM: I would suggest that it be not gone on with too soon, as some of the members will take advantage of the Ash Wednesday holiday to remain away for two days.

Mr. HAZEN: I think that quite reasonable. It will be better to fix some day next week, a day to be agreed upon between the leaders of the House.

Motion agreed to and debate adjourned.

On motion of Mr. Hazen, the House adjourned at 11.40 p.m.

Tuesday, March 7, 1916.

The House met at Three o'clock, the Speaker in the Chair.

PRIVILEGE.

FRAUDULENT QUESTIONS.

On the Orders of the Day:

Mr. CARVELL: I find in the Orders of the day a question standing in my name, No. 15, as follows:

1. What are the names, salaries and nationalities of those persons appointed since October 10, 1911, in the Department of Public Printing and Stationery, and the nature of the work assigned to each?
2. How many promotions have been made among those in the inside service of the said department since October 10, 1911, and what are the names of the persons so promoted?

In the Orders of the Day of yesterday the same question appeared, and three others, relating to the Printing Bureau: No. 43, in the name of the hon. member for Dauphin (Mr. Cruise); No. 44, in the name of the hon. member for Prescott (Mr. Proulx); and No. 46, in the name of the hon. member for Mackenzie (Mr. Cash). On inquiry, I find that the hon. member for Mackenzie was not in the city when the notice standing in his name was placed upon the Order Paper. The other two gentlemen state that they knew nothing about the questions standing in their names. For my part, I never heard of this question, never was consulted about it, and never knew of it until I read it in the Order Paper yesterday. I cannot understand it, although I have looked into the matter. I am satisfied that a gross fraud has been practised on members on this side of the House by the placing of these questions on the Order Paper in our names. I have been informed by the Clerk of Records that the questions were simply typewritten, with our names in typewritten characters. I wish to repeat emphatically that I know nothing about this question and never was consulted about it. As I have said, some person is imposing on the privileges of this House. I wish that this question be stricken from the Orders of the Day, and I think, Sir, it is your duty to investigate this matter and to serve out to the guilty party the punishment which he so richly deserves.

Mr. SPEAKER: I will certainly inquire into the matter.

CANADIAN RED CROSS SOCIETY.

Sir ROBERT BORDEN moved the second reading of Bill No. 48, to amend an Act to incorporate The Canadian Red Cross Society. He said: As this Bill is essentially a Bill of a private nature, although introduced as a Government measure at the request of the Council of the Canadian Red Cross Society, it is desirable that it should be referred to some committee of the House. My right hon. friend has suggested that it be referred to the Committee on Standing Orders; but I would suggest that it be referred instead to the Committee on Miscellaneous Private Bills. I do not know that there is any need to send it to the Committee on Standing Orders, because that committee could only report that the ordinary formal procedure had not been carried out. It was introduced as a Government measure in order that there might not be expense, delay and inconvenience in publishing it. If any person connected with the Society, or any other person, desires to make any representations with regard to the Bill, he will have opportunity of doing so if it is referred to the Committee on Miscellaneous Private Bills. I move that the Bill be referred to that committee.

Sir WILFRID LAURIER: I have not read the Bill; can my right hon. friend give an explanation of its object?

Sir ROBERT BORDEN: I did give an explanation upon the first reading. It simply provides for an addition to the membership of the council, and to enable the western provinces to be more effectively represented. It is really of very minor importance, and it does not affect any interest whatever.

Motion agreed to, Bill read the second time, and referred to the Committee on Miscellaneous Private Bills.

WHITE PHOSPHORUS MATCHES ACT AMENDMENT.

Hon. T. W. CROTHERS (Minister of Labour) moved the second reading of Bill No. 37, to amend the White Phosphorus Matches Act.

Mr. GRAHAM: The object of this Bill, which the hon. Minister of Labour explained some days ago, is, I understand, to extend the time of getting rid of white phosphorus matches already manufactured, and also those on hand for sale.

Motion agreed to; Bill read the second time, and the House went into committee thereon, Mr. Blain in the Chair.

On section 1—extension of time within which matches may be used:

Mr. PUGSLEY: This section seems to be worded in rather an extraordinary way. It is declared in the first place by section 13 that the Act shall come into force on 1st of January, 1915. Then, by the second section, it is declared that the provisions of the Act "shall be held to have come into force on, from, and after the 1st day of January, 1916." It would take a Philadelphia lawyer to understand that.

Mr. CROTHERS: Section 13 of the Act as it now stands provides that as to the manufacture of matches made of white phosphorus, the Act shall come into force on the first day of January, 1915.

Mr. PUGSLEY: The Bill does not say anything as to manufacturing.

Mr. CROTHERS: Section 13 of the Act does.

Mr. PUGSLEY: But that is repealed.

Mr. CROTHERS: I am showing why we want to amend that Act. It provides, as to the manufacture of matches, that the Act shall come into force on 1st January, 1915; then section 2 is as to the sale and use, and it says the Act shall come into force on 1st January, 1916, giving the manufacturers a year from the time they have ceased to manufacture the matches to sell the matches already manufactured. They ceased manufacturing on the last day of December, 1914, but during 1915 they did not sell what they had manufactured. This Bill is to enable them to do so for six months longer, and those who buy the matches to use them up to 1st January, 1917. The main object of the original Act, as the committee will remember, was the protection of the employees engaged in the making of white phosphorus matches, and that has been effected by the cessation of manufacture on the 1st January, 1915. As the law now stands, those who have sold any such matches since 1st January, 1916, would be liable to prosecution, and those having the matches in their possession for use would be liable. This Bill is simply for the purpose of giving the manufacturers six months longer to sell, and the people who are using them twelve months longer to use them.

Mr. MARCIL: Is there any danger in the use of those matches, or is it merely in the manufacture?

Mr. CROTHERS: The danger is chiefly but not entirely in the manufacture. The object of the original Act was to protect those engaged in the manufacture of white phosphorus matches. Some few employees had become diseased by inhaling the fumes caused by the use of white phosphorus in the matches. There have been cases in which the injurious effects of these matches have occurred. There was a prominent case in Prince Edward Island where a woman poisoned her three children by using the ends of these matches. Children playing with matches of this kind about the house are very likely to put them in their mouths. It is because of instances of this character that the Act provided that white phosphorus matches should not be used. This proposition is simply to allow for the sale of the stocks which are on hand, and those who have purchased them are given until the first of next January to use them.

Mr. PUGSLEY: A company manufacturing matches at Hampton, N.B., protested very strongly against the proposed legislation, saying that no injury had ever been known to have resulted from the use of white phosphorus in their factory. Have they withdrawn their objection? I understand that they were heard by the minister.

Mr. CROTHERS: There was no serious objection by any of the manufacturers except that the company which my hon. friend mentions and one in Nova Scotia desired that they should not be compelled to cease manufacturing until the 1st of January, 1916. The original Bill so provided, but it was amended in the Senate so as to restrict the manufacture to the 1st of January, 1915. I have no doubt that the manufacturers that my hon. friend refers to did object to the provisions in the Act requiring them to cease manufacturing so early. They thought they ought to have had another year. But, I understand that they all ceased to manufacture on the 1st of January, 1915.

Mr. PUGSLEY: I do not think that the minister quite understands the criticism that I made of the Bill. Would the minister kindly explain why it is provided that the Act shall come into force on the 1st of January, 1915, excepting section 5, while, by section 2, it is provided that "the provisions of this Act shall be held to have come into force on, from and after, the first day of January, 1916." There is a difference of a year in time when, by this Bill, the Act is declared to come into force. Would the minister kindly explain that?

Sir ROBERT BORDEN: As far as I can understand it, the last section fixes the date at which the amendment shall take effect. The first section contains an amendment to the original Act; the second says that the amendment shall take effect on a certain date.

Mr. PUGSLEY: Yes, but it provides that this Bill shall only become effective from the first of January, 1915. Then, there is another section which says that this Act is not to come into force until this year or that it should not have been in force a year ago.

Mr. CROTHERS: No, 1916. The Act referred to in section 2 is this present Act.

Mr. PUGSLEY: Quite so.

Mr. CROTHERS: The original Act. The idea was to prevent any prosecutions for any violation of the Act from and after the first day of this year. Otherwise, any one making, using, or selling these matches up to that time would be liable to prosecution. The Act is retroactive as to that. Any violation of the original Act, either by the sale or the use of these matches, to the first of January of this year, will not be an offence, because it will be covered by this amending Act.

[Mr. Pugsley]

Mr. PUGSLEY: Does not the minister see that this section declares that this amending Act shall not come into force until the first day of January, 1916, and another section declares that the Act shall come into force on the first day of January, 1915. It does not say that it shall be deemed to have come into force, but that it shall come into force. Otherwise, Parliament, speaking from the first of January, 1916, declares that, as to section 1, the Act shall come into force a year previous to this amending Act having become law.

Sir ROBERT BORDEN: It sounds confusing, but I do not think it is. I think the real change in the Act is in the addition of the proviso. There is no change made in the Act in so far as manufacture is concerned. There is the right to manufacture until the first of January, 1915; but section 13, in so far as it differs from the original section, extends the right until the first of January, 1916, in order to cover the period between that date and the date when this Act shall receive the Royal Assent.

Mr. PUGSLEY: But how could the amended section be deemed to have been in force a year ago?

Sir ROBERT BORDEN: Not a year ago.

Mr. PUGSLEY: Yes, on the first of January, 1915. How could it be deemed to have been in force a year ago when this Act, so declared to be in force, does not become operative until January of this year?

Sir ROBERT BORDEN: Because there is no change made in that respect from the original section.

Mr. PUGSLEY: Oh, yes.

Mr. CROTHERS: The first part of section 13 which is amended is in these words:

This Act shall come into force on the first day of January, 1915, except section 5 thereof.

Section 5 is the one that deals with the sale and use. Then it goes on and states in substance that, as to sale, the time shall be extended to the first of July, 1916, and, as to use, it shall be extended to the first of January, 1917.

Mr. PUGSLEY: But you are repealing that section. This is a new law, and you are providing that this new law shall not be operative until after the first day of January, 1916. Would it not be better to have it declared that the provisions of section 13 shall be retroactive and be deemed to have

been in operation from the first day of January, 1915; and then special provision could be made as to section 5. However, if my hon. friend is satisfied with the section and can see clearly what it means, I congratulate him.

Mr. CROTHERS: The first clause of this section as aamended is in identically the same words as the original section.

Progress reported.

THE ROYAL ASSENT.

A message was delivered by Lieut.-Colonel Ernest J. Chambers, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Deputy of His Royal Highness the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, the House went up to the Senate.

And having returned,

The Speaker informed the House that His Honour the Deputy of His Royal Highness the Governor General had been pleased to give, in His Majesty's name, the Royal assent to the following Bills:

An Act respecting the Canadian Northern Railway Company.

An Act respecting the Calgary and Edmonton Railway Company.

An Act respecting the Central Western Canada Railway Company.

An Act respecting the Quebec, Montreal and Southern Railway Company.

An Act to amend the Railway Act.

SHELL CONTRACTS.

PROPOSED COMMITTEE OF INVESTIGATION.

Rt. Hon. Sir WILFRID LAURIER moved:

That a special committee of members of this House be appointed to inquire into all purchases of shells or other munitions or goods by the Shell Committee formed by the Minister of Militia, as stated to this House by the Prime Minister on the 15th April, 1915, together with all contracts made or orders given by the said committee for any shells or other munitions or goods, with authority to the said committee to examine witnesses under oath and to require the production of any documents, books, letters or papers; and that such special committee be directed to report from time to time to this House in such manner as it may think advisable.

He said: Mr. Speaker, the reasons which have prompted this motion are well known to the House—well known, I may say, even before I state them. For months past those reasons have been set forth in ever-growing emphasis by the press of all political shades and colours. And, speaking of the press, I may eliminate on the present occasion the Liberal press, and confine myself, and the authority upon which I rely, entirely to the press which supports the Government, and especially those newspapers which, while strong in their devotion to the party in office, are perhaps yet stronger in their antagonism to the party out of office. I repeat—and nobody I am sure will contradict what I now say—that the press of all shades of politics have for months past been urging that the Government should probe, and probe to the bottom, the transactions of the Shell Committee, as a duty which the Government owed not only to the country, but to itself.

It may be well at this point to inquire into the cause of this passionate, unanimous and persistent attitude of the press. Does it spring from any unworthy motives, from any prurient curiosity, from any desire to injure the Government? No, all these motives can be at once discarded. The only cause which has prompted the attitude of the press is the conviction, early forced upon the Allied nations as the first lesson of this war, that, if they are to win, they must have without any delay whatever, three things: munitions, more munitions, and still more munitions. No one can forget the agony of suspense through which we on this side of the Atlantic passed when the sound of the first shock of battle reached our ears from across the ocean, and when day after day and week after week the bulletins told us the same sad story, that the forces of the Allies were being compelled to retreat from Belgium into France and from the borders of France far into the interior, until at last the German army had reached almost within sight of the steeples of Paris. We did not know then, but we know now that the Allied armies were forced to retreat, not so much because they had to face an enemy immeasurably superior in numbers as because they were outmatched in guns, shells, shrapnel and explosives of all kinds. And when at last the day came with the cheerful news that the Allied armies had taken the offensive; that they had thrown themselves upon the right wing of the German army and had forced it back in confusion from the Marne to the Aisne, great was the hope entertained by every one on this side of the Atlantic that the retrograde movement of the German army would be compelled to continue from the Aisne to the Rhine. This hope, however, was doomed to disappointment, the reason—which we did not know then but which we know now

—being that the supply of munitions had failed the Allies at the critical moment. We have since learned that amongst those victorious troops there were tears of rage in thousands of eyes because they were forced, at a moment when victory was almost within their grasp, to abandon their forward movement and were not permitted to drive back the German army from the soil of France and Belgium on to the soil of Germany. A cry arose in the armies and reverberated all through the Allied nations for munitions, more munitions, and still more munitions. With the conditions in Russia I am not familiar, but as to what took place in France and in England, I am perfectly cognisant, as is every hon. member of this House. In France the Government was reorganized and a new minister of War, Mr. Millerand, who as Minister of War in a former Government had made his mark as a man of eminent ability and great energy, was appointed, and he at once created a special department which he placed under the control of Mr. Albert Thomas, whose duty it was to at once procure munitions of war.

We are still more familiar with what took place in England, and we know that a new department of the Government, the Department of Munitions, was created and placed under the control of Mr. Lloyd George.

In Canada what happened? We learn now that the Government of Canada undertook to supply the Imperial authorities with munitions; that the Minister of Militia was entrusted with the task, and that he called to his aid a committee known as the Shell Committee, whose especial duty it was to provide for the prompt manufacture and the prompt delivery of munitions of war. Sir, I place myself in the judgment of every man within the sound of my voice when I say that this committee never measured up to the expectations of the Canadian people, who followed its movements with feverish anxiety in the hope that it would promptly deliver the munitions which the Imperial authorities so much needed. The Shell Committee, however, accomplished practically nothing, and great, and keen, and universal was the disappointment amongst the people, Accusations found their way into the press representing all shades of opinions. These accusations cannot be said to have been prompted by party motives, because they were, perhaps, more vigorously pressed in the newspapers supporting the Government than in those opposed to it, and all agreed in calling upon the Government to investigate the matter at once, to see where the fault lay, and to have it promptly remedied.

When this Parliament met for this session these accusations were taken up by hon. members, who gave facts and figures, names, and dates, emphasizing the accusations which had been published in the press, and repeating the urgency for having a prompt investigation. But up to this time the Government has remained deaf to all these appeals, no matter whence they came. Up to this date attention has been paid to this matter by only two ministers, the Minister of Militia (Sir Sam Hughes), who spoke in the debate on the Address, and again some days ago in regard to the matter, and the Solicitor General (Mr. Meighen). I will refer only to the first speech of the Minister of Militia, in which he simply discarded, with a lordly wave of the hand, all the accusations brought against the Shell Committee. He ignored those charges, but to ignore charges is not to dispose of them, and although the minister has spoken, there has been no abatement in the demand for an investigation.

The attitude of the Solicitor General was altogether different. He did not pass over the accusations which had been made; he did not ignore them altogether; but took the attitude that whether the committee had acted rightly or wrongly, it was no concern of his, nor of the Canadian Government, and that the Government were absolutely not responsible for the actions of the Shell Committee. In order not to do any injustice to the Solicitor General, it is well that I should give his ipsissima verba. This is what he said:

> I am not here to attack the Shell Committee; I am not here to defend the Shell Committee; I am here to offer some remarks in regard to what they have done, in regard to their status and character, in regard to their responsibility, and in regard to our duty towards them. The members of the Shell Committee were named by the Government of Canada, and that was at the request of the Imperial authorities. It was done for the purpose of securing the manufacture of shells in this country for the Imperial authorities. The naming of them was done by this Government. They were constituted, on being so named, and having been constituted, they were placed at the disposal of the Imperial authorities and became a committee answerable to the Imperial authorities alone. Now, have I stated that emphatically and clearly? Upon their being named by us at the request of the Imperial Government, they became an Imperial Government committee, responsible to and answerable to the Government of this Empire. They conducted their business directly with the Imperial authorities. Communications passed from the Shell Committee

to the Imperial Government and from the Imperial Government to the Shell Committee. Had they been in a position where we had authority over them, had they been constituted as a committee under a department of this Government, they would have been answerable to this Government; we would have had authority over them and we would have been responsible.

The attitude taken by the Solicitor General here is that he and the Government wash their hands completely of responsibility for the actions of the Shell Committee. Though my hon. friend asserts that the committee was appointed by the Imperial Government, I believe we can all agree that the members of the Shell Committee, whose names I shall read, respectable though those names be, were not selected on their merits by the Imperial authorities, but upon the recommendation of the Government of Canada. I take issue with the Solicitor General upon the point raised. As this Government has given its recommendation to the Imperial authorities, then, notwithstanding his views that the members of the Shell Committee are responsible to the Imperial authorities, I say that the Government that made that recommendation, and that gave that advice, is responsible to this House and to the people of this country. The Government of Canada, having advised the Imperial authorities to select So-and-so, and Such-and-such as members of this committee, it is inconceivable that it should be pretended that, when called upon by the representatives of the peoeple to give their reasons for what they did, they should come before this House, wash their hands of the whole affair, and declare that it is no concern of theirs what these men may have done, or may not have done.

The Solicitor General went further—and, for my part, I was not surprised that he should take in this case the course that has so often been taken before, when the Government is pressed with what we consider a dereliction of duty—and he attempted to seek refuge behind the alleged conduct of the predecessors in office of the present Government. The summing up of this argument on that subject was: This Government is no worse than its predecessors, because it has done exactly what its predecessors did.

Before going further, I must refer to the motion made by Mr. Monk in 1903, after the South African War, which was:

For a return showing:

1. The total amount paid by the Government of Canada for hay and oats, purchased for the Imperial Government, for shipment to South Africa, during the years 1900, 1901 and 1902.

2. The names of the parties from whom hay and oats were so purchased.

3. The prices at which the said hay and oats were so furnished during the said periods, from each of the said parties.

4. The total amount paid to each of the said parties, both for hay and oats.

This motion was refused by the Government of that day, it was pressed by the Opposition of that day, and it was defeated by the vote of the House. The Solicitor General now cites this as a precedent, but I say that there is no parallel between the two cases. This motion presented by Mr. Monk was a motion merely for the production of papers, while the motion now presented to the House is for an investigation for cause shown. Even assuming that the two cases are on all fours, I contend that the denial by the Government of the motion made in 1903 forms no precedent for the present Government refusing the motion presented to-day. The party now in office and responsible to the Canadian people took issue upon this question in 1903. They asserted by their votes that whenever the Government of Canada was called upon by the Imperial authorities to do some act for the Imperial authorities, even after that act had been completed, the members of this Parliament had the right to hold the Government of the day responsible. Upon this they laid down a new code of morals, which they gave to the Canadian people as an earnest of what they would do if they had the power to do it. I ask, is it honourable, is it right, for them to say now: we go back upon our record and will not do what we pressed the Government of that day to do in 1903. I do not hesitate to say that in my humble opinion—and in this I appeal to the judgment of the House—such an attitude would be absolutely immoral and impolitic, to say nothing more of it.

4 p.m.

I go further and say that the case of 1903 as cited is not at all a precedent, as is contended by the Solicitor General. There is all the difference in the world between that case and this. I turn again to this motion made by Mr. Monk. It was presented as a motion for the production of papers, and it was moved without reason given, just like many others that are carried by this House every session. Mr. Monk, I say, made his motion without a word of explanation. He was answered by Hon. Mr. Fielding, then Finance Minister, who spoke for the Government in these words:

I think I am correct in stating that my hon. friend brought this matter before the House a year ago in the form of a question. And my hon. colleague, the Minister of Agriculture, said that it concerned only the Imperial Government, inasmuch as it did not affect the public moneys of Canada in any way, therefore he was unable to supply the information asked for. I think that we ought to take the same position to-day. For all expenditure of the public money of Canada, the ministers are accountable to this House and the House is entitled to every information, but this is an expenditure of Imperial money for which this Government is not accountable to this House.

I took part in the debate on that occasion, a fact of which the Solicitor General, speaking the other day, reminded the House. I then took the position that the motion presented was not within the purview of Parliament, but that if charges of wrong-doing were made against the Government in connection with the purchase of hay and oats for the Imperial authorities, and if a committee of investigation were asked, that investigation would be granted. I take that attitude to-day. Let me quote from the Solicitor General to show how he represented my attitude in that debate:

The motion, however, was pressed, and the late Prime Minister (Sir Wilfrid Laurier) himself took a part in the discussion. Here I shall quote the words of the late Prime Minister:

"I believe that everything in this matter was done fairly and well. We have no complaint from the British Government, and I therefore see no reason why the House should inquire into the expenditure of money which does not concern it.

Mr. Borden: I would like to know whether the right hon. gentleman is willing or not to have these purchases ventilated in the Committee of Public Accounts, as they might be if they were the expenditure of this country.

The Prime Minister: Certainly not.

In the language which I am reported to have made use of on that occasion, certainly there is no justification for the statement which I made a moment ago, that on that occasion I stated that if charges were made and an investigation asked it would be our duty to grant the investigation. But I have not quoted from the Hansard of 1903, I have quoted from the report of my observations in 1903 as given by the Solicitor General in Hansard this year; and there is quite a difference between what I said on that occasion and what I am represented by the Solicitor General as having said on that occasion, because my hon. friend the Solicitor General curtailed my remarks, I should say garbled my remarks, both at the beginning and at the end. My hon. friend shakes his head. Let us go to the authority. Here is Hansard of 1903. After the answer of the Government to the motion of Mr. Monk had been given by Mr. Fielding, the Finance Minister of that day, I intervened in the debate, upon my hon. friend the then member for Victoria and Haliburton, the present Minister of Militia, jumping into the debate with characteristic impetuosity. This is what he said:

Mr. Hughes: The fair name of Canada is at stake. There are very serious scandals in connection with not only these oats and hay purchases but also with purchases of horses. I would like the hon. gentleman to understand that when our Government gives instructions to its officers, who are paid by the Canadian people, the Canadian people are going to inquire into the actions of these men. I hope that the right hon. the Prime Minister will come off his high horse—not one of those horses which were bought for $40 and sold for $150—

Some hon. MEMBERS: Oh, oh.

Sir SAM HUGHES: Might I suggest to the gentlemen who are laughing that this was part of my remarks at that time?

Sir WILFRID LAURIER: Oh, yes, in 1903. It was not one of those horses which were rejected as too old in 1899 and bought in 1914. I continue the quotation:

—and give us the information asked for.

The Prime Minister (Right Hon. Sir Wilfrid Laurier): My hon. friend from Victoria (Mr. Hughes) ought to be more careful than to use such language.

Mr. Hughes: I take the responsibility of my language, and I am prepared, if the Government will give me a committee, to prove what I have said.

The Prime Minister: If the hon. gentleman has charges to make, he knows that there are ways and means of making them. This is not the way to make a charge.

Mr. Hughes: Would the hon. gentleman give a committee of the House or a commission?

The Prime Minister: The hon. gentleman knows how to proceed if he has any charges to make, and if he has it is his duty to make them. Although the money expended was not that of Canada but of the Imperial Government, still, if he has charges to make, if he thinks he can prove any scandal, it is his duty to make these charges, and he should not have delayed so long; but he cannot expect the Government to take notice of vain words thrown on the floor of Parliament. There has been no charges so far as I know, made, and the hon. gentleman has no warrant to speak as he does.

All this I said in 1903; but all this was not quoted by my hon. friend the Solicitor General. I did say this, which was cited by the Solicitor General:

I believe that everything in this matter was done fairly and well. We have had no complaint from the British Government, and I therefore see no reason why the House should inquire into the expenditure of money which does not concern it.

Mr. Borden (Halifax): I would like to know whether the right hon. gentleman is willing or not to have these purchases ventilated in the

Committee of Public Accounts, as they might be if they were the expenditure of this country.

The Prime Minister: Certainly not.

There my friend the Solicitor General stopped—but I said more, and this is what I said:

The Prime Minister: Certainly not; my hon. friend has no reason to speak in that way. The Committee of Public Accounts are bound to investigate the expenditure of the money of the Canadian people, not the expenditure of money by the Imperial Government. But if my hon. friend or any one else has any charges to make that the Government has behaved in the manner suggested, he can have all the investigation he desires.

He could have had all the investigations which he desired. But no desire for investigation was ever expressed, no charge was made, no investigation was asked, and that is the difference between that day and this. To-day charges have been made, and I rise in my place as a member of Parliament to ask for an investigation.

Mr. MEIGHEN: Will the right hon. gentleman now make a charge half as specific as the charge he has just quoted as made by the present Minister of Militia on that very occasion?

Sir WILFRID LAURIER: My hon. friend is an able dialectician, but he knows as well as I do that Mr. Monk's motion was not a motion making charges, but a motion for the production of papers. I said: Make a charge. No investigation was asked for. Ransack Hansard as much as you can, you will not find a motion for an investigation of these purchases in 1903, or of anything else connected with that war. That is the difference between that day and this. I will go further. Do I understand my hon. friend to say that an investigation should have been granted on such an occasion?

Mr. MEIGHEN: I should think that the papers would be much more likely to be brought down than that an investigation would be granted. How would one know whether there should be an investigation unless the papers were brought down?

Sir WILFRID LAURIER: If, Sir, this motion had been based upon charges made an investigation would have been granted. But let us pass from all this. My friend insists that there was no investigation in 1903. If the motion of Mr. Monk had been granted, would he deny my motion to-day, or would he grant it? If, Sir, there was reason for having granted the motion of 1903, is there not ten times more ground for granting the motion I now make? Let us look at the question raised to-day, and let us see whether or not there is cause that we should hold the Government responsible, and upon this I will ask the case to be judged by the language of the Solicitor General himself. In the language which I have already quoted, which he used in the debate on the Address, he stated, in conclusion, speaking of the committee:

Had they been in a position where we had authority over them, had they been constituted as a committee under a department of this Government, they would have been answerable to us, we would have had authority over them and would have been responsible.

Now, Sir, I take this as the basis upon which I proceed to-day, and I say to my hon. friend, and I say to the House, that the Shell Committee was appointed by this Government, that it was appointed as a branch of this Government, that it was acting under a member of the Government, the Minister of Militia, and therefore, according to the code laid down by my hon. friend, the Government is responsible. What is my warrant for stating this? I have my warrant in a speech delivered in this House on 15th April last by the Prime Minister himself. Speaking on this very subject, my right hon. friend on that occasion said:

I return to the question of what may be done by the Government to make it absolutely sure, that there shall be given to the people of this country every possible safeguard as to public expenditure. It is perfectly true that, so far as the investigation of the Public Accounts Committee is concerned, nothing has been disclosed—so far as I am aware and I speak subject to correction—in respect of transactions other than those which occurred during the first six or eight weeks of the war.

But, nevertheless, I realize, and I think all members of the Government realize, the Minister of Militia himself realizes, that the department was not organized to perform the enormous amount of work that is imposed upon it at present. What has been the course taken by the Mother Country under similar conditions? In respect of such matters, the course taken by the Government of the Mother Country has been to call to the aid of the Government the best business ability of the country. The business men of that country have responded and splendid results have been thus obtained. The Minister of Militia himself, it is only just to say, at least two or three months ago brought this question before Council and urged upon Council the advisability of having his department assisted in this regard by a committee of three business men. In respect of some other matters, the Minister of Militia has taken a course along that line which has brought about most excellent results.

If the House will pardon me—my remarks have been extended beyond what I had at first contemplated—I wish to place before Parlia-

ment the record of what has been accomplished by the committee appointed in this country to fill orders which the British Government desired to place here, if they could be placed in Canada, for the supply of munitions. A committee was formed by the Minister of Militia in the early stages of the war, consisting at that time of Col. A. Bertram, Chairman; Thos. Cantley, Esq.; Geo. W. Watts, Esq.; E. Carnegie, Esq., representing the manufacturers; Col. T. Benson, Master General of Ordnance; Col. Greville Harston, Chief Inspector of Arms and Ammunition; and Lt.-Col. F. D. Lafferty, R.C.A., Superintendent of the Dominion Arsenal, representing the Department of Militia and Defence.

I have asked the chairman of that committee to prepare a report of their work for the purpose of showing what can be done by a business organization of this character, through the co-operation of business men in this country.

Then the Prime Minister went on to say that he desired to present that report, and he did present it. He said the report was drafted by Colonel Bertram, the Chairman of the Committee, and this was the heading:

Report on the Formation and work of the Shell Committee by David Carnegie, M.I.C.E., Ordnance Adviser.

To Sir Robert Borden,
Prime Minister of Canada,
Ottawa, Ont.

The report is rather long, and I will not quote it at all. I am sorry that I cannot quote it all. It is not sparing to the modesty of my hon. friend the Minister of Militia, but I think he would be equal to the occasion and accept it. But I will quote some parts which refer to the very thing in issue, and which show whether this committee was part of the Government or was not part of it. The first sentences are in these words:

Soon after the declaration of war the hon. Minister of Militia, General Hughes, was asked by the British Government, if he would place contracts on their behalf, for arms and ammunition, with the United States.

After having arranged certain contracts there for small arms, etc., he received an inquiry for 200,000 shrapnel shells, empty, in equal numbers of eighteen and fifteen-pounders.

The report goes on:

Before actually forming the committee, the Minister of Militia asked Colonel Greville Harston and Lt.-Colonel F. D. Lafferty, to get in touch with all manufacturers in Canada, who they thought could make the component parts for shrapnel shells. He particularly emphasized his desire to have the steel manufactured in Canada.

As a result, the following manufacturers were called to Ottawa to meet General Hughes, on the 2nd of September, 1914:

Col. A. Bertram, of Messrs. J. Bertram Son & Co., Dundas, Ontario; Geo. W. Watts, Esq., of the Can. Gen. Elec. Co., Toronto, Ontario; The Ingersoll Rand Drill Co., of Sherbrooke, Que.; Goldie, McCulloch Co., of Galt, Ont.; E. Carnegie, Esq., of the Electric Steel and Metals Company, Ltd., Welland, Ont.

[Sir Wilfred Laurier.]

At a meeting of the above, the whole question was fully discussed. Lt.-Col. Lafferty described in detail the manufacture of the shells and their components parts, and Col. Greville Harston dealt with the system of inspection. Drawings and specifications were shown and explained, after which the meeting assured the minister that the work could be done in Canada.

On the 8th of September, 1914, at a meeting held by the minister at the Dominion Arsenal, the following committee was appointed to organize the work throughout the Dominion:

Colonel A. Bertram, Chairman; Thos Cantley, Esq., Geo. W. Watts, Esq., E. Carnegie, Esq., representing the manufacturers; Colonel T. Benson, Master General of Ordnance; Colonel Greville Harston, C. I. Arms and Ammunition; Lt.-Col. F. D. Lafferty, R.C.A., Superintendent of the Dominion Arsenal, representing the Department of Militia and Defence.

Another part of the report reads:

When it is recalled that at the time in question, the Minister of Militia was engaged in the colossal task of raising, training and equipping a contingent of Canadians for the "front," it is remarkable that he should have found time to think of the many factories throughout the Dominion which were idle and to devise such an efficient means of helping them and the British War Office. It is somewhat flattering to find that the British Government has recently followed similar plans for utilizing the manufacturers throughout England for the manufacture of shells.

The minister in selecting manufacturers to work with officers of his own department, combined the commercial and technical ability requisite and the results of his choice have proved already eminently successful.

To Colonel Bertram belongs the praise for the harmonious and efficient work of the committee.

It seems to me that this language is quite to the point, and shows conclusively that the committee was working under the Minister of Militia. But if that is not sufficient there is something more. The report states:

The executive work of the committee has been very wisely entrusted to the chairman, Colonel Bertram, who reports weekly to the Minister of Militia and also to the committee when it meets (which is usually monthly) or more often, at the call of the minister.

Now, Sir, that is not all; there is something more to the same point. Here is an additional paragraph:

In adidtion to the foregoing, the Minister of Militia, through his committee, has made several investigations for the War Office in connection with the supply of propellants and high explosives. An investigation was undertaken regarding the supply of nitro-cellulose powder by a large firm in the United States. Other matters have been investigated, such as the supply of rifles and ammunition for the Russian Government.

Sir, that report is certainly conclusive evidence that the Shell Committee was simply an adjunct of the Department of Militia, working under the Department of Militia, and acting within their purview,

as laid down by my hon. friend the Solicitor General; that it was therefore part of the Government, with the Government responsible to the country.

But that is not all. Let me now see how the matter was viewed in Great Britain. I have the statement made by Lord Curzon, a member of the Imperial Government, upon this very point—upon the working of the committee and the working of the Canadian Government. These are the words spoken by Lord Curzon on June 23 last:

In Canada the system adopted by the War Office has been this: They have made their orders from an early date, through the Canadian Government, treating the Canadian Government, in fact, as their agents for the supply of munitions of war. Any requirements from the War Office here are communicated by letter or telegram to the Canadian Government, or rather to the Minister of Militia there. This officer constituted quite early in the day the Shells Committee to which the noble Lord referred. That is a body presided over by a gentleman whose name is mentioned, a General Bertram, and upon it are representatives of the various manufacturing interests in the Dominion, and the function of the committee is to advise the minister as to the contracts which, on behalf of the Imperial Government, he shall conclude. All applications are made to him. They go before the committee, who examine and adjudicate between the claims or the different parties; then the contract is concluded over there, and finally the Canadian Government assume the responsibility of inspecting the munitions for us when they have been produced.

Is it not perfectly clear that it is an abuse of words to tell us to-day that the Shell Committee was responsible simply to the Imperial authorities? The Imperial authorities tell us, by the words of Lord Curzon, that the Imperial authorities did not know the Shell Committee—that the only party they knew was the Minister of Militia, and it was with him that they transacted the business.

We had it the other day from the hon. Finance Minister (Sir Thomas White) that, although the contracts were made by the Imperial Government, it was the Canadian people who, in the last resort, were to pay for these munitions. If the Canadian people have to pay for them, certainly the Canadian people have the right to see how their money is expended and to look into the manner in which this committee had transacted its business and carried out its obligations. My hon. friend from St. John (Mr. Pugsley) asked the hon. Minister of Finance, during the course of the debate on the Address, the following question:

That means, of course, all the ammunition, all the guns, all the boots and shoes, and all the clothing used by the Canadian soldiers at the front?

Sir Thomas White: Our understanding is that the Canadian Government will pay all, but that an adjustment is necessary and will have to take place later.

Here we have conclusive evidence that in this matter we have to look to the Canadian Government and the Canadian Government, of course, is responsible to the people. We have the facts clearly established that the Shell Committee was appointed by the Canadian Government, that it acted under the Minister of Militia, that it reported to the Department of Militia and Defence, that the Minister of Militia had the calling of it whenever he chose, and that it is the money of the Canadian people that is used to pay for the shells ordered by the committee. We have it also in evidence that the Minister of Militia was the author of the committee. He thought his department was not equal to the task imposed upon it and that he should have a committee of business men to advise him. Everybody will agree that that was a wise measure. It would have been a wise measure to have had a committee of business men to advise the Minister of Militia, but the mistake which was made was that he appointed as members of this committee manufacturers engaged in lines of business who, from the very nature of their business, would be tempted to become manufacturers of shells and share in the fantastic profits which were looming up. It would have been the part of wisdom to have done then, what was done later on in the formation of the committee, that is, to select men who were not engaged in that line of business. But I have to charge against this Government, that every one of the members of this committee was a manufacturer actually engaged in the business of manufacturing shells for the Government. The incongruity of the thing is apparent to everybody. General Bertram was a member of the committee, Mr. Carnegie was a member of the committee, Mr. Watts was a member of the committee, and we find these gentlemen contracting with themselves both as sellers and purchasers; or rather not themselves personally but with their firms which were engaged in the making of shells. As for one of them, if he was not actually connected with the manufacture of shells, he was connected with the Nova Scotia Steel Company, which supplied steel and iron. It is, in that respect, interesting to read an interview which was given to the Toronto Globe by General Bertram. In

that interview, published in the Globe at the end of last December, General Bertram, Chairman of the Shell Committee, used this language:

The committee, of which I was head, and for which I was responsible in every way, was composed of manufacturers and military men. I took upon myself to award the contracts. The committee knew nothing of the contracts and the prices until they had been allotted. I did this for a reason. I felt in justice to these men, some of whom were manufacturing shells, that they should be kept in ignorance of the awarding of the contracts. The committee's work, aside from my own, was organization work. I also made up my mind that a great deal of the responsibility rested upon my shoulders in the turning out of shells that would reflect credit upon Canada.

Mark these words. Here, the Chairman of the Committee says publicly, making no ado about it, that he awarded the contracts without the knowledge of the members of the committee. Why was this? General Bertram saw, himself, the incongruity, the impropriety, of members of the committee being contractors with themselves. He awarded contracts to the other members of the committee. One did not know what was given to the other. At last General Bertram ended by awarding contracts to his own firm. Is it to be wondered at, is it surprising, that this committee never gave any satisfaction? We know now,—it is a matter of record, it cannot be contradicted—that there were controversies between applicants for contracts, between applicants within the committee and applicants without the committee. Notwithstanding the denial that has been made, because it is a fact that an investigation will demonstrate, there was a patronage list which was sacrosanct, beyond which no contract could be given, beyond which no contract was given, and it was not until after weeks and weeks that other applicants obtained them. We know that manufacturers were passed over who had plants almost ready to go on with the work. Passed over for whom?—for middlemen who had no plant and no capital and who went about peddling their contracts to whoever would take them. The consequence was—and this is one of the charges I make against this Government—that no work was done and that while the soldiers at the front were clamouring for shells, no shells came from Canada. Am I wrong in making that statement? Am I presuming too much? I have the proof at hand and that proof is supported by the statement of Mr. Thomas who was delegated by the British authorities to look after the work in Canada and see how it was going on. Mr. Thomas came here in the first days of July. He spoke in October, in the city of Montreal, and this is what he said:

In the matter of the efficiency and expedition, by which I mean the delivery of orders in a short time, when I came over first, Canada was inclined to be behind with her orders. I believe Mr. Lloyd George announced that she was only making good to the extent of 2 per cent. But the work has been speeded up much more satisfactorily, and Canada can do much more than she is doing.

In the month of October, then, Canada could have been doing much more than she was doing; in the month of July she was making good only to the extent of 2 per cent. Sir, this is the gravamen of the charge we make against the Government: that under the system which they adopted, the orders were not filled, and the shells were delivered only to the extent of the insignificant proportion of 2 per cent, as stated by Mr. Thomas.

I will not go over all the charges that have been made in the press, for they are familiar to everybody; nor will I repeat the statements which have been made on the floor of this House, for they too are familiar to everybody; but there is a charge to which I wish to refer here and now, and to which reference was not made in the debate on the Address, because the facts I have now to disclose were not then before me. The debate on the Address closed on the first or second of February. On the 31st of January, one of the most eminent papers in this country, a paper whose sympathy is with the Government of the day, and which is edited by a gentleman whose reputation for honour and integrity is well known—I am referring to the Toronto Telegram and to Mr. John Ross Robertson—on January 31 last the Toronto Telegram published the following charge and made a special feature of it. This is the charge made by the Toronto Telegram, and I direct the attention of the Government to it and I invite their answer:

Britain invited the Shell Committee to place an order for 5,000,000 time fuses last summer. The Shell Committee placed the whole order in the United States. The price per time fuse was $4.50. The date of the contract was last summer, and the amount to be paid under the contract was $22,000,000. Sir Robert Borden's Shell Committee advanced $3,750,000 in cash with the order. The Imperial Munition's Board has not yet received one time fuse under this contract.

And this was written on the 31st of January last. The article goes on:

The Americans who received the contract and the advance of $3,750,000 had no previous ex-

perience in the production of time fuses. They are described as having no factories, merely stock promoters and brokers. The result of this frightful bungling is that Great Britain has completely lost confidence in Canada's ability to produce time fuses.

These are grave accusations. Are they true or are they not? They have been before the public for more than a month, and no denial has come from anybody. Is it or is it not true that the Shell Committee, or the Canadian Government who was acting for the Shell Committee, placed this contract in the United States for 5,000,000 shells at a cost of $22,000,000? Is it or is it not true that at the time the contract was given, an advance in cash was made to the contractors by the Shell Committee? Sir, I believe it is true; for if it was not true I believe that the Government would not have hesitated to send out word at once that there was no truth in the statement. But why should we ask whether it is true or not true? The fact was admitted by the Minister of Militia himself on the floor of this House less than five days ago. On the 2nd of March the Minister of Militia spoke as follows:

I come to the question of fuses, and I doubt not that what I have to say on that subject will be startling to some hon. gentlemen.

It will, no doubt.

I do not wish to indulge in personal criticism, or to say anything to make any hon. gentlemen opposite feel aggrieved; but I have here the facts and figures, and I challenge the freest and fullest inquiry into them all. In 1914, we took steps to have fuses manufactured in Canada. Every firm that any one could even dream of as being likely to indulge in the manufacture of these commodities was approached, and not one firm in Canada could be induced by any offer of assistance to go into the manufacture of these fuses. Any one could see that fuses would be needed. Later on, an order came to the Shell Committee from the British Government for 4,000,000 fuses. I had nothing to do with this—as I have had nothing to do with the Shell Committee—

That is not according to report.

—other than to ask the same gentleman to make sure that the lowest possible prices were obtained. I may say that I knew that the raw material for these fuses— time fuses—cost, before the war, $1.90, which included 24 cents royalty to the Krupp firm.

Mark that, Mr. Speaker:

I may say that I knew that the raw material for these fuses—time fuses—cost, before the war, $1.90, which included 24 cents royalty to the Krupp firm.

He goes on:

This is the same fuse that we are making to-day. I realized that under the conditions prices would be almost sure to double, if not more, but still I thought that they should be obtained at that price. Imagine our surprise when Col. Bertram told me that they were asking $6 apiece for these fuses. I sent for Col. Allison and said to him that this price was absurd, that we should get them for easily half that, and so fire two shots instead of one at these gentlemen who are seeking to overthrow the liberties of the British Empire and of the French nation. Col. Allison brought the price down to $5.10; later, to $4.90, which is the lowest price for which I have heard of any company in the United States, the Morgans or any other, making fuses for the British Government. Later, Col. Allison brought the price down to $4.50, and by still further organization, to $4.25. Contracts were made at this price of $4.25 for these time fuses. But, owing at least in part to the fact that a number of firms in the United States had been blown up, and there was more or less of the 'German peril" idea abroad, they refused to take the contract, and it remained at $4.50. Thus there was a saving of 40 cents on each fuse, or a total saving to the British Government of $1,600,000 in that one deal alone.

There you have the admission of the Minister of Militia himself that through the good offices of Colonel Allison—a Colonel who has never been within one thousand miles of the smell of powder on the battlefield, but who I believe has made a profit out of it—this contract for 5,000,000 shells at $4.50 each was given to American firms. The Minister of Militia said nothing as to whether it was true that the Government advanced $3,750,000 in cash with the order to the company who had the contract. I understand that it is true, and we owe it to Colonel Allison that this contract has been given to American firms. But there is something more. The Minister of Militia said in his speech the other day:

I may say that I know that the raw material for these fuses—time fuses—cost, before the war, $1.90, which included 24 cents royalty to the Krupp firm.

So that to-day, under this contract for 5,000,000 shells, we are paying a royalty of 24 cents to the Krupp firm. Under this contract secured by Col. Allison we are going to pay $700,000 of British money to the Krupp firm.

Sir SAM HUGHES: I am a little dense. Will the right hon. gentleman allow me to ask him how he makes out that we are paying that royalty?

Sir WILFRID LAURIER: By the words of the minister himself, who said:

I may say that I knew that the raw material for these fuses—time fuses—cost, before the war, $1.90, which included 24 cents royalty to the Krupp firm.

Sir SAM HUGHES: That is in Britain.

Sir WILFRID LAURIER: That is in the United States; the contract was given in

the United States. If it applies only in England, I have nothing to say, but I doubt very much if England in time of war would pay any royalty to the Krupp firm. What nonsense it would be to suppose that in time of war England would do such a thing.

Sir SAM HUGHES: My statement was distinct, that it was before the war that these fuses cost $1.90. After the war broke out, I presume the British people would not be so foolish as to pay a royalty of 24 cents to the Krupp firm.

Sir WILFRID LAURIER: Then, why mention it at all?

Sir SAM HUGHES: To show the cost of the fuses. I wanted to be honest with my right hon. friend and he would not permit me.

Sir WILFRID LAURIER: Very well, let us take the answer of my hon. friend for what it is worth. Will my hon. friend answer this question?

Sir SAM HUGHES: Any question my right hon. friend chooses to ask.

Sir WILFRID LAURIER: My hon. friend states that these fuses could not be manufactured in Canada. I know for a fact that the present shell committee over which Mr. Flavelle presides has had fuses made in Canada and delivered.

Sir SAM HUGHES: That statement is absolutely without foundation.

Sir WILFRID LAURIER: I have to take the word of my hon. friend for that, and I will say no more as to it, but I have had it on good authority—and I will refer my hon. friend's words to this authority, because the case is bad enough, and I do not want to make it worse—that the committee over which Mr. Flavelle presides gave a contract to the Russell Company and that they are manufacturing fuses to-day.

Sir SAM HUGHES: That statement is entirely devoid of fact.

Sir WILFRID LAURIER: Well then, my informant may be wrong. That is all I have to say. At all events, an attempt was made to make fuses in Canada.

Sir SAM HUGHES: The old Shell Committee did, some time ago, give a contract to Mr. Russell for 500,000 fuses or more.

Mr. PUGSLEY: When?

[Sir Wilfrid Laurier.]

Sir SAM HUGHES: Last June. I do not know whether they were to be made in Canada or in the United States. I know that a large portion of them were made in the United States.

Mr. PUGSLEY: What was the price of those?

Sir SAM HUGHES: $3.50 for some and $4 for others, all detonating fuses.

Sir WILFRID LAURIER: At all events I say that the committee under the chairmanship of Mr. Flavelle gave a contract for the manufacture of fuses in Canada. My hon. friend tells me that the company which got the contract has not yet delivered the fuses. If that be so, that company is exactly on a par with the American manufacturers who have not up to this date delivered a single fuse. My hon. friend has told us that credit is due to the Shell Committee because through its work, there has been no money lost. I am not so sure about that; I think my hon. friend's statement is disputable, but one thing that is indisputable, and that is only too true, is: that if money has not been lost owing to the work of the Shell Committee, time has been lost, and loss of time is ten times more criminal than loss of money. We can pay for shells in money, but we have to pay for the lack of shells in blood; and I say that, owing to dereliction of duty on the part of the Shell Committee time has been lost, and, owing to that time so lost, battles have been lost, thousands of lives have been sacrificed, victories have not been carried to a final issue, the enemy has not been pursued as he retreated, and the war has thus been prolonged. It is upon those facts with their terrible consequences that, from my seat in Parliament, I to-day arraign the Shell Committee, that I hold the Government responsible, and that I ask for an investigation.

Rt. Hon. SIR ROBERT BORDEN (Prime Minister): Mr. Speaker, my right hon. friend, in the midst of the greatest struggle with which this Empire has ever been confronted, has this afternoon, upon scraps from newspapers which he has read to the House, demanded an inquiry into the operation of the committee known as the Shell Committee. I shall refer him a little later to some of his own advice to the House of Commons as to how a member who desires to make a charge should shape his course, a course which has not been taken by my right hon. friend this afternoon. It is one

thing for a newspaper to make observations with regard to public matters, and it is another thing for a gentleman holding such a position as my right hon. friend holds in this House and in this country to adopt those observations and to place them before the House of Commons upon no better foundation than that which he has submitted. Before I conclude my remarks this afternoon, I expect to be in a position to contradict every substantial allegation that he has made, out of the mouths of those who certainly know much more about these matters than he does.

Let me say in the first place that it would have been well for my right hon. friend, a gentleman holding a high position in this country, first as Prime Minister and now as leader of a great party in opposition, to have regard to what is due from public men under conditions such as those which confront the Empire at the present time. Not many weeks ago the Prime Minister of Great Britain had occasion to deal with such a case, although the person to whom his observations were directed was not one who held the position of a party leader or who had been a Prime Minister. This is what Mr. Asquith said recently:

> I am bound to add in that connection, with reference to the speech of the hon. member for Brentford, to which I also listened, about aviation, I cannot at all agree that because those statements have appeared in newspapers that he, as a member of Parliament in a responsible position of authority, should think that is sufficient justification for making those statements here. A statement made in this House goes out to the world with a very different amount of authority from anything that occurs in the press.

My right hon. friend told us that this committee has never measured up to the task which was set before it; that it has absolutely failed in its attempt to organize the industries of this country for the production of munitions; that its work has been a disgrace to the people of Canada; and that it has never given any satisfaction from first to last. Under these allegations, which are about all that my right hon. friend put forward—and, as I have already observed, he rested any charge that he made, upon mere newspaper rumour—I think it desirable to give the history of how that committee was formed and to make clear the appreciation of its work which was entertained by the British Ministry of Munitions after full consideration and examination.

It has been very glibly said by some hon. gentlemen on the other side of the House that the production of shells and the manufacture of munitions is the easiest thing in the world. Why, they tell us that they knew before the war broke out—though they never took the country into their confidence—that these munitions could easily be produced in this country by our ordinary commercial industries. I think it worth while to read to the House a statement which I obtained on Saturday last from a man, who, I believe, ranks second to no man on this continent in ability and experience as a mechanical engineer, a man who from the first has had to do with the production of these munitions in Canada, and whose name, if I should disclose it to the House, would, certainly command the respect and confidence of every hon. member. He gave me this statement with regard to the work accomplished by the old Shell Committee:

> The Shell Committee undertook to introduce an industry that was absolutely novel to the manufacturers of the country, and one which they had all been led to believe involved great difficulties and required long experience before successful results could be expected. Many of these difficulties were real, and much careful work and investigation was necessary before they were overcome. Munitions had previously been manufactured by armament concerns, or Government arsenals, who, in the majority of cases, made every part of the work and controlled all the various processes involved therein.
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> The Shell Committee, in dividing up the various classes of work between a number of different concerns, each group of which was required to specialize in some particular part of the work, and only required to investigate the methods employed on that part, did more than make a convenient arrangement—it really made a far-seeing and courageous invention. No attempt at subdividing work among a large number of independent factories, and subsequently assembling the completed parts in another group of factories, has ever been attempted on anything approaching the scale on which Canadian munition work has been successfully carried out. Even with the work subdivided into a number of portions, each portion required much study and experiment before it was finally produced in a satisfactory manner and sufficient quantity.
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> The shrapnel shell, on which the committee originally began work, requires special steel for its construction. This steel requires special treatment in its manufacture, and the various component parts, bullets, sockets, pellet tubes and powder cups, all presented problems in their manufacture in large quantities, and in many cases are required to comply with specifications which were not drafted to obtain a commercial article, but one of specially high quality. There is little doubt that the designs and specifications of English ammunition, in common with those of other nations, were not developed with any idea of its being made in locomotive shops, bridge works or harvester factories in enormous quantities, but represented the refinement desirable for the most efficient results when carefully made by expert workmen in shops with long experience.
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> Fortunately the Dominion Arsenal at Quebec, although of only a small capacity, had for

years made the various classes of ammunition which the Shell Committee first undertook to manufacture. The information and experience of the arsenal were open to the firms interested, whose representatives flocked there time after time to look into the process of manufacture, and to obtain more detailed instructions when they had failed to successfully produce some result. The existence of this arsenal was a most valuable asset to the Canadian manufacturers; in fact, it is certain that they could not possibly have developed the work with such rapidity and success without its experience to assist them, with all the energy and ability they have displayed. Even with this assistance, the trials and discouragements of the manufacturers were numerous to commence with.

This gentlemen told me of his own experience in the production of cartridge cases for high-explosive shells. The first 4,500 they turned out passed the test, and the next 16,000 had to be scrapped, because the head of the cartridge case had not been made sufficiently hard to pass the firing test, and did not pass it. The statement continues:

Few firms were accustomed to manufacturing work within the limits of accuracy and the various other requirements of shell making. There were many cases where numbers of shells had to be rejected and sent to the scrap heap on account of neglect of some apparently unimportant requirement of the specification or dimension drawing. Gradually these difficulties were overcome; one shop helped another with information, men were trained to work with the required accuracy. Testing machinery and various scientific shop methods were introduced, managers, foremen and men worked away until the various difficulties were overcome, and within a few months the manufacture of shrapnel shells was an established success.

After the shrapnel shell, the committee undertook the supply of brass cartridge cases, which are simple-looking pieces of ammunition material, which had previously only been made by a few munition concerns, and entail numerous difficulties in their manufacture. In this case, again, the arsenal at Quebec had successfully manufactured them, but in very small quantities, and an enormous amount of work was required to develop the methods of manufacture on a large scale. The machinery makers themselves knew very little about the work, and each firm undertaking it was obliged to install a large number of special machines, at great expense and without any guarantee of ultimate success, taking the chance that they would be able to succeed in producing a specially difficult article without any previous experience, in quantities which had never been before reached, on this side of the water at any rate.

The shrapnel shells and cartridge cases were followed by high explosive shells for 18-pounder guns, then by howitzer shells and cartridge cases, and later by large high explosive shells, sixty-pounder, six-inch, eight-inch and nine point two. The shell business had, by this time, become well established in Canada. Experience had been required, and, while each shell presented certain problems of its own, men who had worked over the difficulties of the one, found little trouble in discovering the methods for another. In the earlier stages of the work, however, shells were very generally manufactured on the machinery already installed in the various plants which previously was employed for commercial purposes. As the work increased and larger sizes of shells were required, the machinery was inadequate, and, in almost all cases, it was necessary for the manufacturers to install completely new equipment. Even for the smaller shells, some firms undertook to equip their shops completely, and it would be surprising, were the total amount known that has been spent by Canadian firms for munition machinery, in every case out of their own pockets and without any advances being made to them.

An interesting instance, which shows the growth of the work and the enormous benefit that the country has received from the work accomplished by the Shell Committee, is that of a large manufacturing concern in the East. This company was one of the first to undertake the manufacture of shrapnel shells, and has subsequently installed machinery for making high explosive shells, 18-pounder and howitzer and cartridge cases. The machinery previously used in their ordinary work was taken out of their shops and stored away, their shops were remodelled, new machinery installed, and, in some cases, new buildings erected. This concern, which employs four to five thousand men, has obtained the remarkable output of ten thousand shrapnel shells, twenty-five thousand 18-pound high explosive shells, ten thousand howitzer shells, and two hundred thousand cartridge cases per week.

I think it is right to make that illustrative fact known—one out of many which could be given—as it disposes of the slander which my right hon. friend has passed upon the manufacturing industries of Canada:

5 p.m.

There can be but few munitions works in the world which have equalled or surpassed this, and apart from the assistance of so large a supply of munitions to the success of the war, the advantage to the country of developing the work is enormous. An instance of the energy that this firm has displayed on the work is shown by the rate at which they erected one of their new buildings. This is a machine shop covering about an acre of ground, used for 18-pounder high explosive shell production. From the time they started to clear the ground until the building was completed and every operation in the manufacture of the shell was under way, was only thirty days, and such a record shows what has been accomplished in the development of munition manufacture in Canada.

I have many other illustrations which I could give to the House of what has been accomplished by our manufacturing industries; and I venture to say that no man, not even the most optimistic in this country, could have looked forward in August, 1914, and had an adequate conception of what has been accomplished by the industries of Canada during the past 18 months.

When my hon. friend the Minister of Militia was asked by the British Government to place an order for 200,000 shells, what might he have done? He might have said: Let us send the order, as is suggested, to the United States of America and have the

shells produced there. Did he take that course? No. I confess that when the Minister of Militia came to me and told me of his firm belief that shells could be manufactured almost immediately in Canada, I had a great deal of doubt as to whether that could be accomplished on any large scale, and I told him so. But he had great faith in the ability of the manufacturers of this country to accomplish it, and that faith was justified as the war went on.

There is no mystery about the appointment of this Shell Committee. The Minister of Militia was asked by the British Government to place an order for 200,000 shells, and subsequent orders were also brought to his attention before the committee was appointed. He called some of the manufacturers together, those whom he thought most likely to undertake the work, and after a great deal of difficulty he persuaded certain of them to attempt it. He associated with them, in order that they might have all the technical skill that was available, such of his officers as had had experience in the Dominion Arsenal, and the value of that experience has been detailed in the statement which I read a moment ago to the House. More than that, he found in Canada, upon a casual visit, Mr. David Carnegie, who had had experience in the production of munitions in Great Britain. He commandeered his services, somewhat against the will of Mr. Carnegie, who had intended to employ his energies elsewhere. Thus Mr. Carnegie remained in Canada and was associated with this committee as technical adviser. The Minister of Militia informed the British Government of what he had done, and he received from them an expression of their appreciation; and thereafter the British Government placed its orders in Canada through the Shell Committee. The committee communicated with the British Government through the War Office code, which was in the possession of the Department of Militia and Defence, and all prices which were paid for shells in Canada, from first to last, were either fixed or approved by the British Government. Further than that, as I shall show by the statement of the representative of the British Ministry of Munitions, the Shell Committee succeeded in placing in Canada, orders amounting to $150,000,000 or $160,000,000, at prices considerably lower than the War Office in Great Britain were willing to approve and to pay. As a result of this not less than $15,000,000 was saved to the British Government. The business has developed to such an extent that orders to the amount of nearly $400,000,000 have already been given, and I have in my hand a statement from Mr. Thomas, now Lord Rhondda, who represented the Ministry of Munitions in this country last summer and autumn, that the total amount of orders which will be placed in Canada by the British Government before the end of this war, will probably run up to $500,000,000, an amount comparable with the total value of the great bumper wheat crop of the West this year. I venture to say that, making the most liberal allowances for what has to be and what has been imported from abroad in the production of these shells, the orders already placed in Canada, amounting to nearly $400,000,000, will have added, in labour and material, at least $300,000,000 to the national wealth of this country at a time when that addition was and is most opportune. I have here a statement of the exact amount of orders up to the present time. The total amount of munition orders placed by the British Government, through the Shell Committee and the Imperial Munitions Board, runs up to $380,000,000 at the present time. The men employed number no less than 136,000, and the number of factories engaged is 436.

I have alluded already in a previous debate to the fact that several permanent new industries have been established, such as the production of zinc and spelter, the manufacture of brass, nitrocellulose powder, sabulite, toluene, and tri-nitrotoluene; and the production of many other industries has been greatly increased.

In view of the epithets which my right hon. friend has seen fit, without any more foundation than newspaper rumours, to inflict on the members of the Shell Committee, it ought to be remembered that they undertook their work purely in an honorary capacity and without the expectation of receiving one single dollar for their services. Whatever else may be said of them, this may be said, that they undertook that work as a patriotic duty. I believe they discharged that duty to the best of their ability; and, further than that, in the opinion of the British Government, they have discharged it well, as I shall show by evidence to which I think my right hon. friend can take no exception.

It would be idle to pretend that the Shell Committee, men absolutely unfamiliar with the production of munitions, made no mistakes from the time they undertook their work in September, 1914. The members of the Shell Committee would be the first to admit that they had made mistakes, and doubtless they did; but I will venture to say that you could not select any six men in this House, from either one side or the other, who would have made fewer mistakes in the conduct of gigantic operations such as the Shell Committee were eventually compelled to carry on. I say this further, that I believe as few mistakes were made in Canada as in any other part of the Empire in the organization of commercial industry for the production of munitions of war.

Mr. Thomas arrived in this country shortly after I sailed for England last summer. He had full authority to represent the Ministry of Munitions in this country; of that I was informed by the Minister of Munitions himself. I saw Mr. Thomas for just a few moments in New York on my way to Ottawa. After coming to Ottawa, in September, I consulted with my colleagues as to the re-constitution of the Shell Committee, and as to that there need be no mystery; there is no mystery. The matter has been made perfectly plain by the declarations of Mr. Thomas and of Mr. Hichens, which I shall read to the House in a few minutes. The operations of the Shell Committee had passed out of the experimental stage of September, or October, or November of 1914. The reorganization of the committee had been a matter of discussion between the Minister of Militia and myself before we went to England, and had it not been for the many matters pressing on our attention in June, 1915, I have no doubt it would have been reorganized then. Upon my return I took the matter up with the Minister of Militia and with my other colleagues, and we all agreed that the committee, in view of its very large operations, ought to be re-constituted. I announced that fact to Mr. Thomas, at a personal interview in the first week of September, 1915, and it was arranged then that the committee should be re-constituted. With regard to Mr. Thomas' utterances respecting the work of the Shell Committee, I shall have something to say a little later; but I want all the members of this House to understand that, while Mr. Thomas was here with his assistants—Mr. Carr, General Donaldson, General Mahon, and other experts who were sent out by the British Government to assist him, not only with respect to the supply of shells, but with regard to the possibility of producing guns of large calibre in Canada—the records of the Shell Committee from beginning to end were open to all these experts and were thoroughly examined.

There have been a great many rumours in the public press, and some of them have been mentioned in this House. I do not believe that there was a single rumour about the Shell Committee which did not come to Mr. Thomas's ears. Any that ever came to my ears I at once brought to his attention, and on account of the violent language which appeared in some portions of the press with regard to the Shell Committee, I took upon myself the responsibility of asking Mr. Thomas this: I said, "Having seen the operations of the Shell Committee, having examined its records, knowing what you do of these men, and having met them as you have, is there any suspicion whatever in your mind that these gentlemen have not acted to the best of their ability or that they have not acted in good faith?" and he replied, "Absolutely none." He believed that these men had acted to the best of their ability; he believed also that they had made mistakes, but as to their good faith, their honesty, and their integrity, which have been reflected upon in many quarters in this country, Mr. Thomas, who ought to know in regard to that as much as any man could know, informed me that he had not the slightest doubt, and that he believed them to be thoroughly honourable honest and upright men.

I shall now read to the House, in order that it may be on record, just what Mr Thomas did say. In a public interview which he gave out on the 31st of October, and which was published in the press on the 1st of November, he said this:

> Mr. Lionel Hitchens, who had at his instance, been sent out by his friend Mr. Lloyd George, would now take up Mr. Thomas's duties. Canada was doing fine.

These are the words of Mr. Thomas. The words of my right hon. friend (Sir Wilfrid Laurier) are that Canada was doing, and has done disgracefully. Mr. Thomas said:

> Canada was doing fine, both in her contribution of men and munitions to the needs of the Empire in this great crisis, and with the orders that had already been placed, and the further very large orders that were now being allocated, the capacity of the Dominion, though not fully utilized, would be heavily drawn upon. He estimated the value of these orders would

amount in the aggregate to something approaching $500,000,000, or over $60 per head of the population in Canada. This, with the enormous grain crop that had just been harvested in the West, would spell industrial prosperity for Canada for some time to come. He referred to orders placed for all the supplies and not for munitions only.

Referring to the criticism that had been made on the work of the Shell Committee, Mr. Thomas said his relations with that body had been of a most friendly character and, while it would be idle to deny that they had not always seen eye to eye on questions of policy, their differences have not been in any sense of a personal nature. He considered that the committee had done excellent work under most difficult and trying circumstancs, and that they, and more particularly General Bertram, their chairman, had placed the country under a heavy debt of obligation. General Bertram had worked like a trojan night and day, and given his services freely to the state without fee or reward.

The Shell Committee was doing an enormous business, the size of which was hardly recognized by the public. It was probably the biggest business in the Empire to-day It had grown enormously, almost out of recognition, indeed, since its inception twelve months ago, and when the small orders first entrusted to it were given out. Under these circumstances, the official announcement, made by the Prime Minister on Friday last, that he considered the time had arrived when the committee should be reorganized would cause no surprise.

Further on, speaking in the third person, as throughout the interview, he used this language:

He is bound to say that he considers the criticisms that have been levelled against Colonel Cantley and other manufacturing members of the Shell Committee have been unfair and have been based on a misconception of their functions. The executive work of the committee has been discharged by General Bertram, latterly with the help of Colonel D. Carnegie. These two gentlemen have been responsible for advising the Imperial authorities in the matter of prices, and also for the allocation of orders, after authorization in respect to covering prices and quantities has been received from London. Colonel Cantley and the manufacturers on the committee have acted only in an advisory capacity, and in this way their technical knowledge has been of great service. Further, Colonel Cantley has expended considerable sums in experiments on shell steel, and the results of the experiments have, Mr. Thomas understands, been freely placed at the disposal of other manufacturers. Another fact should in fairness to the committee be made public, and it is this: General Bertram has in the allocation of orders for component parts made very substantial savings on the covering prices for complete rounds, etc., authorized by the Imperial Government. These savings already amount to a little short of fifteen million dollars, or nearly ten per cent of the total amount of the orders to which such savings refer. Another point, which Mr. Thomas would like to emphasize, is that, in his opinion, General Bertram has shown himself singularly free from party bias and has not let himself be influenced by party considerations in the placing of orders. He has distributed the orders for the smaller shells in lesser quantities, and over a wider field, than Mr. Thomas looking at the matter from the British taxpayer's point of view, would have done, but, in that, General Bertram was guided by a wish to relieve industrial depression prevailing in Canada over as wide an area as possible.

The profits of the manufacturers have, in Mr. Thomas' judgment, been higher than they were entitled to. This was perhaps difficult to avoid under the circumstances. Anyway, it is past history, as far as Mr. Thomas is concerned, and under the new system of competitive tendering which has now been adopted by the Shell Committee, or, as he would prefer to call it in the future, the "Canadian Munitions Committee," there would be no cause for complaint in this respect.

Mr. MACDONALD: What is the date of that interview?

Sir ROBERT BORDEN: It was given out on the 31st of October, and published in the press on the 1st of November, the day on which Mr. Thomas left Canada for New York on his way to Great Britain. Before Mr. Thomas left, Mr. Lionel Hichens had arrived, accompanied by the Hon. R. H Brand, a gentleman who is a member of a financial firm in Great Britain and of very great experience in financial matters. Mr. Hichens has had wide administrative experience and is at the head of the great firm or company of Cammell, Laird & Company in England. Both Mr. Hichens and Mr. Brand, as I understand, co-operated with and assisted, Mr. Thomas before he left. All the records of the Shell Committee were open to Mr. Hichens, to Mr. Brand, and to their assistants while they were here. After Mr. Thomas left, his full authority to represent the Ministry of Munitions devolved upon Mr. Hichens, who conferred with me respecting the re-constitution of the committee, which had not been carried out by Mr. Thomas on account of the many duties that had pressed upon him during his visit to Canada and in connection with his work in the United States. Mr. Hichens, of course, received his authority direct from the Ministry of Munitions, to be exercised in Canada as soon as Mr. Thomas gave up his work here. When Mr. Thomas left, Mr. Hichens was invested with the full authority which had previously been vested in Mr. Thomas. So far as the Imperial Munitions Board is concerned, I am at perfect liberty to disclose to the House what I had to do with its constitution.

Mr. Hichens came to me shortly before the Imperial Munitions Board was constituted and submitted the names of certain gentlemen who, as he understood, from a personal interview, were willing to become members of the new board. He proposed to retain, and did retain, upon the board some of the members of the Shell Commit-

tee. He told me that he proposed to appoint Mr. J. W. Flavelle, of Toronto, as chairman of the new committee, which was to be called the Imperial Munitions Board; and he came to me for the purpose of asking whether I would be willing to relieve Mr. Flavelle from his duties as a member of the Economic and Development Commission in order that he might undertake the duties of chairman of the Munitions Board. I was reluctant to have Mr. Flavelle leave the Economic and Development Commission, but at Mr. Hichens' earnest request, I consented that he should give up his duties in that capacity and undertake the duties of chairman of the new Munitions Board. The other gentlemen whom Mr. Hichens suggested were of course perfectly agreeable to me; and he only asked my assistance in one respect. He asked me to give him the name of a gentleman from the province of Quebec, of French descent, and to suggest a member of the board for the province of British Columbia. I made inquiries and gave him the name of Mr. Dawson of British Columbia, a gentleman whom I did not then personally know, but of whom I had the very best possible report. From the province of Quebec I gave him the name of Mr. Vaillancourt, whose name had been submitted to me by my colleagues from that province, and who, as I understand, is a gentleman eminently worthy to discharge the duties which would devolve upon him as a member of the board.

That is the history of the institution of the Shell Committee, and the history of the constitution of the Imperial Munitions Board. As to neither of these matters has the Government anything whatever to conceal. The facts are for the people of this country. Our duty, in so far as the Shell Committee was concerned, was to select men of good reputation, of experience, of ability, men who could efficiently discharge the duties which would devolve upon them, and we believe we did that. Having done that, we left it to them, under the direction of the British Government, to organize as best they could, the industries of Canada for the purpose of producing munitions of war. When my right hon. friend talks about deliveries amounting to only two per cent, may I inform him that I have here the written statement, dated the 14th January last, of Mr. J. W. Flavelle, chairman of the Munitions Board, who uses this language:

> Of the above $300,000,000—
> [Sir Robert Borden.]

That was the amount of the orders at that time.

> —products to the value of $100,000,000 have already been exported and paid for.

I ask him to contrast that with the aspersions which he has cast upon the manufacturers of Canada in saying that they had produced only two per cent of the amount of the orders which they undertook to fulfil. I am informed by a gentleman in whose words I have the greatest possible confidence, a gentleman who has returned from Great Britain within the past two weeks, and who had the privilege of an interview with Mr. Lloyd George shortly before he left Great Britain, that Mr. Lloyd George told him that the shells from Canada were, in deliveries second to none, in price as low as any and in quality as good as any produced within this Empire.

Mr. Thomas made certain observations in the reported interview which I have read to the House about the wide distribution of orders. I had some discussion in regard to that matter with Mr. Thomas whilst he was here. I think it is perfectly conceivable that if Mr. Thomas, or the Shell Committee, or the Imperial Munitions Board, might select three or four of the large organizations of this country, sometimes referred to by my hon. friends on the other side of the House as trusts, and by tender or competition confine the production of munitions to them alone, these large establishments with their enormous plants, with their capacity for turning out a very great production, with their experience and with their organization might be able to shut out all the smaller industries of Canada. I have no doubt the work might have been concentrated perhaps by the Shell Committee, or the Imperial Munitions Board, in the hands of three or four of the very largest concerns in this country. I told Mr. Thomas frankly that I thought it would be a mistake for him, or the Shell Committee, or the Imperial Munitions Board, to do anything of the kind, and I am perfectly prepared to defend the position which I then took either in this House or elsewhere. I thought that to have ignored the communities of this country, which, under the depression brought on by the war, or at all events, very greatly accentuated by the war, had thousands of men out of employment, and which had sent to the front as large contingents of their gallant young men as other communities in Canada, would have

been a mistake on the part of the Shell Committee, the Imperial Munitions Board or the British Government itself. I am prepared, as far as I am concerned, to say that the Imperial Munitions Board and the Shell Committee as well, in distributing these orders throughout the country, were acting wisely and that the British Government were acting wisely in authorising them to do it.

Mr. Hichens, in disclosing to me the constitution of the Imperial Munitions Board, wrote me a letter. It has been partly published in the press. I shall read it to the House in view of the allegations which my right hon. friend has seen fit to make and the aspersions which he has seen fit to cast not only upon the Shell Committee itself, but upon the manufacturing industries of Canada which were employed by this committee. The letter is as follows:

Chateau Laurier,
Ottawa, November 29, 1915.

The Right Honourable
Sir Robert L. Borden, G.C.M.G., etc.,
Ottawa, Ont.

Sir,—I think it may be convenient if I place on record a brief narrative of the circumstances since my arrival in Canada leading up to the changes which are now to be made in the constitution of the purchasing agency for munitions of war in Canada on behalf of the British Government. These changes, which are the logical consequence of the altered conditions, have been approved by H. R. H. the Governor General and your Government, and I am therefore authorized by the Minister of Munitions to announce that they will come into force as from November 30, 1915.

Since my arrival in Canada on October 26, as representative in this country of the Minister of Munitions in succession to Mr. D. A. Thomas, my colleague Mr. R. H. Brand and myself have, at the request of yourself and General Sir Sam Hughes, concentrated our attention upon this problem of adaptation to the changed conditions. That a re-organization was necessary to meet the altered circumstances was generally recognized by all those most intimately connected with the Shell Committee, and General Bertram was among the first to call our attention to the fact, and to suggest that the new problems of administration on a greatly increased scale required for their proper direction an expanded organization

The Shell Committee, which was appointed in September, 1914, by the Minister of Militia and Defence, to deal with the munitions orders placed in Canada by the Imperial Government has, I think, met with remarkable success in dealing with a difficult task.

It is an astonishing thing that the work of the Shell Committee was so satisfactory to both these representatives of the British Government, and yet is so unsatisfactory to my right hon. friend, who probably does not know a hundredth part of what these two men knew who personally investigated the whole matter for several weeks. If we are to place these two opinions before the people of Canada, I wonder which they will choose: that of the men who investigated the work of the Shell Committee from day to day for weeks and even months, or the opinion of my right hon. friend, who rises in this House and bases his aspersions on the Shell Committee upon nothing higher or stronger than newspaper rumours. (Continuing to read):

In the early days the problem was to persuade manufacturers to undertake the work of making shells, which was quite new to them, and presented formidable difficulties that caused many of the leading firms to hold back The orders at that time destined for this country were on a small scale; there was naturally no assurance of continuity in the work, and the prospects of success were doubtful. The readiness with which Canadian manufacturers adapted themselves to a new industry is, I think, remarkable, and although as in England, they have often been unable to live up to their original promises, yet they have nothing to fear from a comparison of the early efforts of firms of the highest standing.

Speaking generally, I think it may be said that the earlier difficulties have now been overcome, and the work of the administering body in Canada has entered upon a new phase. In the first place, it has been realized that shells can be successfully and profitably manufactured in Canada, and, instead of holding back, there is now a keen competition on the part of manufacturers to secure contracts. Secondly, the volume of orders placed in Canada has grown at a very rapid rate, and the output both of shell cases and component parts has increased so largely as to require a more highly organized department to ensure efficient co-ordination and prompt deliveries. Thus, from a small beginning, the activities of the Shell Committee have grown with startling rapidity and now embrace the administration of funds more than twice as large as the annual revenues of the Dominion Government. It is obvious, therefore, that the original organization needs amendment to conform to the actualities of to-day.

I should like to take this opportunity to point out, after a careful inquiry into the facts, that the Shell Committee has been subjected to much unfair criticism. It was, as I have said, appointed to deal with the orders of modest proportions, and from the nature of the case was intended to be educative rather than administrative. It was natural, therefore, that it should contain an infusion of steel manufacturers, whose advice and experience were necessary to the proper development of the new industry. The measure of their success can be gauged by the remarkable results achieved. The facts speak for themselves. There are now some 320 firms in Canada manufacturing shells or their component parts, and in the short space of fourteen months the Shell Committee, with the active encouragement and support of General Sir Sam Hughes, have developed the largest industry in the whole of the Dominion. They have been the means also of bringing into being certain important industries subsidiary to shell making which will have a permanent effect in developing the resources of the country. For example: copper has hitherto been produced in the form of "matte" and sent to the United States for refining. Arrangements have now been made

for the refining to be undertaken in Canada, and a new plant will shortly be in operation which will give an impetus to the copper mining industry of the country. Similarly, Canadian zinc ores which contain about equal quantities of lead and zinc, have hitherto been shipped from Canada in the raw state. Owing to the demand created by the war orders and the encouragement of the Shell Committee, the electric refining of zinc is now being developed in Canada on a commercial scale, and this, together with the derivative industries connected therewith, will, there is good reason to believe, now be established on a permanent basis in Canada. Brass will also shortly be made in the country on a considerable scale. A great impetus has likewise been given to the manufacture of explosives: nitro-cellulose powder, tri-nitrotoluol and sabulite are now being produced on a large scale and at moderate prices. Canadian competition has resulted in keeping down the price of these commodities, and has enabled the Shell Committee to effect large economies. Important fields of industry have thus been opened up in Canada as a result of the activities of the Shell Committee. It would be outside the scope of this letter to suggest that the time has come when attention should be paid to the question how these new industries and those derivative from them, which owe their origin to the great demand for munitions of war, can best be developed and encouraged so as to form a permanent part of the industrial fabric of Canada, but no doubt your Government is fully alive to the situation. As a result of the war industries set in motion under the auspices of General Sir Sam Hughes and the Shell Committee, an army of some 100,000 skilled mechanics and workmen has been maintained and trained up in Canada. They are a permanent asset to the country, and the skill which they have acquired will be of lasting benefit after the war in building up the commercial prosperity of Canada.

These far-reaching and important results have not been achieved without the most exacting and strenuous labour, which has fallen more particularly upon General Bertram and Colonel Carnegie, and which a single-minded enthusiasm for the cause has enable them to sustain. Perhaps I may be allowed to add also that these striking results owe their inception and a large measure of their development to the practical zeal and the active encouragement of General Sir Sam Hughes. To conceive a big idea is hard, but to give effect to it in action demands qualities of a rarer kind. I wish therefore to place on record that the Shell Committee have for the past fourteen months been carrying on a work of the most exacting and strenuous nature, and that they have fulfilled their task well. The changes, therefore, which are now being made are the logical development of their work—the necessary superstructure upon the foundations laid by them.

As explained to me by yourself and General Sir Sam Hughes, it is the wish of your Government that, since in actual practice all munitions orders for the Imperial Government are placed by the British Ministry of Munitions with the Shell Committee, there should be a direct relation between the purchasing agency and that department which, since the establishment of the Shell Committee, has been constituted to deal with munition supplies, and that this logical business connection should be given effect to now that the extended scope of the functions of the committee make a re-organization imperative. In order to carry out your wishes and to make it clear that the purchasing agency is administratively independent of

[Sir Robert Borden.]

the Canadian Government, the members of the existing Shell Committee have tendered their resignations to the Minister of Militia, by whom they were appointed, and a new board entitled the "Imperial Munitions Board" has been constituted by the British Minister of Munitions as from November 30, 1915, to deal with such purchases of munitions supplies as may from time to time be entrusted to it by the said minister. All the rights and powers heretofore vested in the Shell Committee, together with all the moneys at the committe's credit, have been transferred to and vested in the "Imperial Munitions Board," and the Shell Committee has been relieved from all liabilities, which will be assumed by the new board acting on behalf of the Minister of Munitions.

The "Imperial Munitions Board" has therefore been appointed by and is responsible to the British Minister of Munitions. At the same time, however, it is clearly of vital importance that the support and co-operation of the Canadian Government should be maintained, and that there should be some "nexus" between the Imperial Government, the Canadian Government and the purchasing agency. The Minister of Militia will in any case, I know, use all his influence to support the development of munitions supplies in Canada. But it is very valuable that there should be a recognized continuity in the work, and that it should be clearly seen that the new board will receive from him the same encouragement and support that has contributed so materially to the success of the Shell Committee. At the request, therefore, of the Minister of Munitions, General the Honourable Sir Sam Hughes, K.C.B., Minister of Militia and Defence, has accepted the position of Honorary President of the Imperial Munitions Board.

The following gentlemen, with their consent, have been appointed members of the board:

J. W. Flavelle, Esq., (Chairman with executive and administrative powers).
Gen. Alex. Bertram, (Deputy Chairman).
Hon. Colonel David Carnegie.
G. H. Dawson, Esq.
C. B. Gordon. Esq.
J. A. Vaillancourt, Esq.
E. R. Wood, Esq.

Mr. J. W. Flavelle has with great public spirit undertaken to make the work of the board his primary consideration, and he has made the necessary arrangements to this end. I am glad also to be able to tell you that Mr. C. B. Gordon, of Montreal, has kindly promised to devote a great part of his time to the work, and I am confident that his wide business experience and reputation will contribute largely to the success of the undertaking.

I take this opportunity of giving public recognition on behalf of the Minister of Munitions to the valuable services rendered by the members of the Shell Committee in developing the resources of Canada for the production of munitions of war. They have been willing to lend their services during the period of development, when their experience, which has been freely given, has been of the greatest assistance in overcoming the initial difficulties. But these have now been surmounted, and the justification no longer exists for a board of experts. At the same time it would be a great loss if the wide experience they have acquired were not made available to the new "Imperial Munitions Board," and I attach great value to the assurance they have generously given that they

will be willing to afford every assistance in their power to the new board.

I have the honour to be, sir,
Your obedient servant,
(Sgd.) W. L. Hichens.

A good deal has been said about the high prices paid for shells in Canada, and hon. gentlemen in this House and journals in the country have spoken of the exactions of Canadian manufacturers from the British Government through the Shell Committee.

Mr. PUGSLEY: We never put it that way; it was the folly of the Shell Committee we spoke of.

Sir ROBERT BORDEN: My hon. friend is not the only hon. member of this House. He need not take upon himself such a character of universality as he is attributing to himself at this moment. I did not make any particular allusion to him, but was speaking quite generally. I put to Mr. Hichens the same inquiry as to his appreciation of the gentlemen who constitute the Shell Committee as that which I had put to Mr. Thomas, and I received from him precisely the same answer as to the integrity, honour, and good faith of all the members of that committee. He stated in the most unqualified terms that with regard to them he had not one word to say beyond this, that he believed them to be men of the highest honour and of perfect integrity, men who had, to the utmost of their ability, discharged what appeared to them to be a patriotic duty.

After endeavouring to get some comparisons of the prices paid for shells in Canada and elsewhere, I wrote to Mr. Hichens on the subject. Although my right hon. friend has not said very much about this phase of the question, it is my duty to say a few words in regard to it, on account of what has been said here and elsewhere. On the 6th of December, 1915, I wrote to Mr. Hichens this letter:

Dear Mr. Hichens,—I enclose a copy of a letter I have received from the Minister of Finance. Is it possible to get some authoritative statement as to the comparative prices being paid for machining and forging shells in England, Canada and the United States?

Yours faithfully,
(Sgd.) R. L. Borden.

This is Sir Thomas White's letter addressed to myself:

Ottawa, December 4, 1915.

Dear Sir Robert,—I have a letter this morning from the President of the Dominion Steel Foundry Company, of Hamilton, who states, among other things, that prices paid in England for machining and forging are from ten to fifty per cent greater than in Canada and that the present prices here average lower than prices being paid in United States. He states further that the cost of labour and of raw material is increasing daily, while the price of shells is going down. I think it advisable as soon as you have authentic information on the subject that a statement should be given to the press as to the comparative prices being paid for machining and forging shells in England, Canada and United States. Such a statement would go a long way towards meeting adverse criticism of certain of the press and in vindicating the work of the Shell Committee.

Yours faithfully,
(Sgd.) W. T. White.

Mr. Hichens replied to my letter on the 8th day of December as follows:

Dear Sir Robert,—With reference to your letter of December 6th, I regret that I have not got the necessary figures for the purpose of making a comparison between English, Canadian and American prices for shells. I suggest that you write to Mr. Lloyd George asking him to give you a full report in regard to these comparative prices, since there has been a certain amount of criticism of the prices paid in Canada, and since you are anxious to know the real facts of the position. It would be better, I think, that this should come officially from the Ministry of Munitions at home, and I think that, speaking generally, they will be able to satisfy you that Canadian prices have not been unreasonable.

I have seen it suggested in the press that there should be a full inquiry into the doings of the Shell Committee, and I hope it will not be found necessary to give way to this demand. Personally, I am entirely satisfied that the Shell Committee have carried out their work well, and I feel that such inquiry would merely hamper the work of the new Munitions Board. They have a great deal to do, and I should be sorry if their activities were interfered with in this way. There is also perhaps something in the point that the Shell Committee was acting for the Imperial Government, and that any enquiry should be made rather on their instruction or at their request, than by the authority of the Canadian Government.

Yours sincerely,
(Sgd.) W. L. Hichens.

As my hon. friend smiles at that, I may say that that letter was written to me without any suggestion as to the concluding paragraph, which I had never discussed with Mr. Hichens.

Mr. PUGSLEY: What I was smiling at was rather that he should presume to advise the Prime Minister as to the desirability of holding an investigation.

Sir ROBERT BORDEN: I suppose Mr. Hichens, being responsible for the establishment of the Imperial Munitions Board, was desirous, as he expressed it, that its work should not be hampered, and a little later on in the course of my remarks I

shall give in regard to that some information which will, perhaps, commend itself to my right hon. friend.

I sent the letter of the Minister of Finance to Sir George Perley, who made application to the Minister of Munitions, and, as the reply which we received was marked "confidential and secret," we asked for liberty to publish it, and the letter which we received thereupon from Sir Herbert Llewellyn Smith, Secretary of the Ministry of Munitions, is as follows:

January 20, 1916.

Sir,—In reply to your letter of the 13th January on the subject of prices paid for shells, I am directed by the Minister of Munitions to inform you that it is the general rule not to give publicity to contract prices, and that consequently Mr. Lloyd George would prefer that the letter referred to should not be published.

I am, however, to add that there would be no objection to Sir Robert Borden making use of any part of the information so furnished, if in his discretion he should think such a course desirable.

I am, etc.,

(Sgd.) H. Llewellyn Smith.

I have made some extracts from the portions of that confidential letter which do not set forth prices. I am ready to read them to the House; I am also perfectly ready to give to the House, not the prices, but an exact comparison between the prices paid in Great Britain and in the United States and those paid in Canada; doing that, not by stating the actual prices paid, but by fixing the British price at the figure 1 and the Canadian and American prices at corresponding figures.

Mr. CARVELL: The Minister of Militia and Defence, speaking in this House on the 26th of January, gave prices of many kinds of shells and parts thereof as of the 8th day of December last. Will the Prime Minister say whether or not those prices, which will be found on page 301 of Hansard, are the same as those contained in his memorandum?

Sir ROBERT BORDEN: I am not going to say anything about that, because I really have not compared them; but those portions of the letter which do not contain actual prices I am perfectly willing to read to the House, and I am also willing to give comparative prices paid for shells in England, Canada, and the United States. This memorandum gives a general comparison of the prices first when they were high everywhere and then at a considerably later date when they were lower. It is known here, as everywhere else, that the prices paid for shells are very much less now in all three countries than they were at first.

[Sir Robert Borden.]

Mr. PUGSLEY: When I addressed the House on a former occasion I dealt to some extent with the question of prices, and I will do so again, but I do not think that my right hon. friend can properly quote from a letter without laying it on the table. My right hon. friend purposes, not to give the prices, but to make a sort of algebraic comparison.

Sir ROBERT BORDEN: In that case I will not read the letter; but I can at least do this: I can state that I have the best of information, that of the British Ministry of Munitions, that prices in Great Britain were very much higher in the first instance than they were afterwards. It is equally true that prices in Great Britain varied as between different firms and according to conditions on which different contracts were made.

The production of some of these shells was familiar to certain manufacturers in Great Britain, but unfamiliar to others, and the prices accorded to the manufacturers who were not previously familiar with the business of shell-making, were considerably higher than the prices accorded to those who had previous experience, and who, therefore, could make the shells at a smaller cost. I would like, also, to point out that manufacturers in Canada, besides having to equip themselves with plant, had to become familiar with the process of manufacturing. Generally speaking, the prices paid in Canada compare very favourably, indeed, with those paid in Great Britain and the United States, according to the authoritative information which has been placed in my hands by the British Ministry of Munitions. I believe that the prices paid for shrapnel shells in the first instance were a little higher in Canada than those paid in Great Britain to firms who had no previous experience, but they were a little lower than the prices paid in the United States to firms having no previous experience. I have the same authority for my statement when I say, so far as the 18-pounder high explosive shell is concerned, which was taken up by the Canadian Shell Committee after they and the Canadian manufacturers had had some experience with the shrapnel shell, that the prices paid in Canada compared most favourably with the prices paid in Great Britain and

in the United States. Further, the Canadian Shell Committee, in one of the latest contracts which it made, as I am informed on the same unimpeachable authority, succeeded in getting the 4·5-inch high explosive shell, together with the cartridge case and primer, for about the same price that is being paid in the United Kingdom for the shell alone. That result is, of course, regarded as most satisfactory by the Imperial authorities. I say further, that if we take either the highest price paid in Canada or the lowest price paid in Canada for the shells of larger sizes—that is to say, the 6-inch high explosive shell, the 8-inch shell, and the 9·2-inch shell—the highest price paid in Canada is lower than the highest price paid in Great Britain, and is lower than the highest price paid in the United States in one instance, and very little higher in two other instances.

Mr. MACDONALD: Is it not true that one of the objections raised by Mr. Thomas was that the Canadian prices were too high?

Sir ROBERT BORDEN: Mr. Thomas said they were too high. And Mr. Lloyd George has shown, in his address in the House of Commons, that the price of the 18-pounder shrapnel had been reduced 40 per cent in price in Great Britain and the howitzer shells 30 per cent. He said, also, that very high prices were paid in Great Britain in the first instance. I venture to say that if an investigation were ordered it would be found that for the 18-pounder high explosive shell, the highest price paid in Canada was 11 per cent lower than the highest price paid in Great Britain, and very much lower than the highest price paid in the United States. It will be found further that for the 4·5-inch shell the highest price paid in Canada was 17 per cent lower than the highest price paid in Great Britain, and 15 per cent lower than the highest price paid in the United States. One contract given in the United States was very much higher, but I exclude it as it was a single order and given for special delivery. For the 6-inch high explosive shell, the highest price paid in Canada was 17 per cent lower than the highest price paid in Great Britain, and 9 per cent lower than the highest price paid in the United States. For the 8-inch shell, the highest price paid in Canada was 26 per cent lower than the highest price paid in Great Britain, and 2 per cent higher than the highest price in the United States. For the 9·2-inch shell, the highest price paid in Canada was 16 per cent lower than the highest price paid in Great Britain, and one per cent higher than the highest price paid in the United States.

Mr. MACDONALD: I am informed on reliable authority that the position taken by Mr. Thomas was that Canadian prices were higher than those in the United States.

Sir ROBERT BORDEN: I am giving to the House information on my own responsibility as a member of the House and as a minister of the Crown—information which comes to me as authentic and which I believe to be absolutely correct.

Mr. CARVELL: I desire to ask a question for information; I am perfectly honest about this. Can the Prime Minister tell us when the first order was given in Canada for the 6-inch shell, the 8-inch shell, and 9·2 inch high explosive shell?

Sir ROBERT BORDEN: I really do not know. I think it was about six months ago.

Mr. CARVELL: Can the right hon. gentleman get that information?

Sir ROBERT BORDEN: Yes, if it will add to the happiness of my hon. friend, I will try to get that information for him.

Mr. PUGSLEY: The time of the giving of orders would be important.

Sir ROBERT BORDEN: The time of any order, of course, is important. I could go on and give figures for the lowest prices paid. For the 4.5 inch high-explosive shell, the lowest price paid in Canada was 22 per cent lower than the lowest price paid in Great Britain, while the lowest price paid in the United States was 2 per cent higher than that paid in Great Britain. For the 6-inch high-explosive shell, the lowest price paid in Canada was 4 per cent lower than the lowest price paid in Great Britain, and the same as the lowest in the United States. For the 8-inch shell, the lowest price paid in Canada was 6 per cent lower than the lowest price paid in Great Britain, while the lowest price paid in the United States was 14 per cent lower than that paid in Great Britain. For the 9.2-inch shell, the lowest price paid in Canada was 6 per cent lower than the lowest price paid in Great Britain while the lowest price paid in United States was 17 per cent lower than that paid in Great Britain.

Now, considering the industrial development of Canada, considering the absolute inexperience of our manufacturers in the production of munitions of war, I venture to say that under the organization of the Shell Committee, those manufacturers deserve every possible praise for what they have accomplished, and that the aspersions cast upon them, whether by my right hon. friend or the press of this country, are absolutely undeserved in view of the results that have been attained.

At six o'clock the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

SECOND READINGS.

Bill No. 50, for the relief of Raymond Conliffe Savage.—Mr. Douglas.

Bill No. 51, for the relief of Harry Lorne White Cunningham.—Mr. T. J. Stewart.

SHELL CONTRACTS.

PROPOSED COMMITTEE OF INVESTIGATION.

Consideration of the proposed motion of Sir Wilfrid Laurier, for the appointment of a special committee to inquire into purchase of shells, etc., resumed.

Sir ROBERT BORDEN: Mr. Speaker, I had been dealing with comparative prices in Great Britain, the United States, and Canada. Not much more remains to be said on this subject. To sum up, our prices at first for 18-pound shrapnel, with which we began in Canada, were slightly higher than the prices in Great Britain and slightly lower than those in the United States. The reason for this is perfectly simple. We had then no experience in the manufacture of shells in Canada, and there were no continuation orders allowed for. At that time it was not believed in Great Britain, here or elsewhere that the war would last so long as it has unfortunately lasted, and so continuation orders were not given. There was no assurance that there would be further orders, and the manufacturers who undertook this work and who had to equip plants with machinery for the purpose necessarily had to demand higher prices than they would have demanded if they had been assured of orders extending over a year or 18 months. Upon information given to me from the highest authoritative quarter I assert that in respect of all other shells produced in Canada such as 18-pound high explosives, 4.5's and all other large shells, the production of which we began last summer, the prices in Canada have been, on the whole, lower than in either of the other two countries I have mentioned. In 90 per cent of the cases the prices in Canada have been at least as low as those paid by the British Government in any other part of the world. I also affirm, from equally authoritative information, that while here, as in Great Britain, the deliveries have not been up to what was anticipated, nevertheless they are at the present time very good indeed, and I am confident they will compare favourably with those made in the United States. I have the warrant of a very high authority, a representative of the British Government in the United States at the present time, for the assertion which I am now making. So, before we begin to belittle our own country in that regard, I think it would be just as well for us to consider what has been done by other countries. My right hon. friend forgets that Mr. Lloyd George, in his speech delivered in the British House of Commons on the 20th day of December last, stated that last spring, when he undertook his duties as Minister of Munitions, deliveries in Great Britain were only 16 per cent of what they ought to be, and that under the Ministry of Munitions between that date and the 20th of December last deliveries had increased from 16 per cent to 80 per cent. They had not reached the high-water mark of anticipation even during the period from March, when he took charge, until December, when he made his speech. There are one or two quotations which I should like to read from that speech. In speaking of prices, Mr. Lloyd George said:

> The prices were fixed for gun ammunition when the need was very urgent. There was no time to bargain, and that is true both of the War Office and of the Ministry of Munitions. New firms were also taken on, but at first the actual cost of production of unaccustomed and inexperienced firms is very considerably higher than that of experienced firms, so that for one reason or another prices were high.

Then, speaking of the effort made by the Ministry of Munitions to reduce prices, he said:

> Therefore it has not yet come to full fruition, but I will just give the House an indication of the saving which will be effected by this means. The cost of the ammunition for 18-pounders, which is a very considerable item, running into millions, has been reduced by 40 per cent, and the cost of ammunition for 4.5 howitzers has been reduced by 30 per cent, since the report of this Committee, and all the new contracts are based on these prices.

Further on he said:

> Contracts are being placed very largely through these local munitions committees. At first it was always necessary to let contracts at fairly high prices, because there were unaccustomed firms coming in, and they would not make much out of it, although the prices were high.

The condition which Mr. Lloyd George here sets out as prevailing in Great Britain at that time prevailed to a more intense degree in Canada, where we had had absolutely no experience in the production of ammunition, except a slight experience in the Dominion Arsenal at Quebec, and it ill becomes any citizen of this country to make an attack on the efforts that have been made in Canada during the past 18 months. I think the efforts have had a splendid success, one of which Canadians on the whole have every reason to be proud. I do not pretend for one moment that the Shell Committee did not make mistakes. I do not believe that any of its members would pretend that that committee did not make mistakes. To say otherwise would be to declare that they were infallible, and they know that they are fallible, as all the rest of us are; but I do say that the enlisting of the manufacturers of Canada, reluctantly at first, to undertake these great operations, and the splendid and conspicuous success which it has proved to be in the past 18 months, deserves commendation and not the condemnation of any man in this House. I have under my hand and could read the record of what one company did in about four and a half months in Canada, since some very large orders were placed with it in October or November last. The record would surprise this House. You would hardly believe that it could have been accomplished in Canada; and yet my right hon. friend says that the object of his motion is to probe and remedy conditions. Does he propose to attack the Imperial Munitions Board? I venture to think that that board is doing splendid service for Canada, as the Shell Committee did. How is he going to probe and remedy conditions in respect to the Shell Committee, since that committee is functus officio, and has handed over its duties to the Imperial Munitions Board, upon which some of the members of the Shell Committee still sit? Probe and remedy conditions, he says. I venture to say that if I handed in this statement of what one company has accomplished my right hon. friend would not say, nor would anyone else, that any board could improve on the record which it contains. It is a remarkable and splendid record; and so I say that, on the whole, my right hon. friend has not made any case for investigation, except on hearsay information which he has derived from newspapers, and upon which, indeed, he does not base any charge on his own behalf.

So far as the Imperial Munitions Board is concerned, the Government of Canada proposes to co-operate with that board precisely as it co-operated with the Shell Committee. If the Imperial Munitions Board comes to the Government of Canada, and desires us to assist them or to co-operate with them, or makes any representation to us, the object of which is to increase production of munitions in Canada, or to give greater opportunities to develop the resources of this country, we shall co-operate with the Imperial Munitions Board precisely as we co-operated with the Shell Committee. In doing that, I am sure we shall be adopting a course to which my right hon. friend, or any other member of the House, can take no exception.

My right hon. friend speaks of the Shell Committee having handed out contracts to middlemen without any effort at all to ascertain whether or not the persons to whom the contracts were handed were in a position to fulfil them. In other words, I suppose my right hon. friend is bringing a charge either of favoritism or of negligence or of political influence against the Shell Committee; his statements in that regard were so vague that I really do not know what it was he intended precisely to suggest. He spoke of a patronage list. If he desires to suggest or insinuate that there was any patronage list in a political sense, or that the members of this Government interfered with the placing of those orders, then I am in a position to give a most emphatic contradiction to my right hon. friend. Never, from first to last, was there the slightest attempt to exercise political influence over the Shell Committee; on the contrary, I have had repeated complaints from political friends throughout the country that gentlemen of the opposite political faith were going to the Shell Committee and procuring contracts for their constituents and friends, which Conservative members of Parliament and other Conservatives throughout the country could not procure. There are gentlemen on

the other side of the House within the sound of my voice who know that I am speaking the truth in that regard, and last but not least among them is my right hon. friend himself. If I am not mistaken, he went to the Shell Committee with a friend or constituent and succeeded in securing a fairly good order for him.

Sir WILFRID LAURIER: I deny that absolutely.

Sir ROBERT BORDEN: Did my right hon. friend not visit the Shell Committee with a friend?

Sir WILFRID LAURIER: Yes I went with a friend, a constituent from Victoriaville, in the county of Arthabaska. I was received by General Bertram, to whom I introduced the gentleman. I said to General Bertram: "I hope there is no favouritism; I have simply come here to introduce this gentleman, and to tell you that he is quite capable to fulfil his contract."

Sir ROBERT BORDEN: I do not suppose that any other member of Parliament, if other members of Parliament went to the Shell Committee, did anything else. I can say to my right hon. friend that, if all reports are true, he was very much more successful with the Shell Committee than some Conservative members of Parliament, because I understand—I speak subject to correction—that the gentleman who accompanied my right hon. friend on his visit to the Shell Committee did succeed in getting a very substantial order .

Sir WILFRID LAURIER: That is not what he told me. He told me that the order was not very substantial. As to what he wanted, I do not know.

Sir ROBERT BORDEN: It might not have been as large as my right hon. friend and his constituent desired, but his efforts were very much more successful than those of a good many Conservative members who went to the Shell Committee and got nothing. My right hon. friend did get something, and it strikes me that, having been so courteously received, and having been so successful on behalf of his friend and constituent, it is, to say the least, a case of black ingratitude that he should cast the reflections upon the Shell Committee which we heard this afternoon. After I had returned from Great Britain, I saw, or at least I heard, that there had been paraded in the Liberal press throughout the country, from the Atlantic to the Pacific, an alleged charge by Mr. D. A. Thomas, now Lord Rhondda, that the Government of Canada were using political influence in connection with the Shell Committee. That statement was published in the Montreal Herald, over which my hon. friend from South Renfrew (Mr. Graham) presides, and it was published I think in every Liberal newspaper from one end of the country to the other.

Mr. GRAHAM: Was that an interview with Mr. Thomas, or a speech by him?

Sir ROBERT BORDEN: It was an alleged interview. These are the words attributed to Mr. Thomas:

> There is more politics in Canada at the present time than there is in England and it is a bad thing for Canada. Big political interests here at the present juncture, who are intimately connected with manufacturing concerns, are out after orders. Orders come first, the making of munitions being a secondary outcome. It is a bad thing for Canada.

This was sent to me by several Conservative members of Parliament, who wrote me indignant letters on the subject. It was particularly trying to those gentlemen, who had been endeavouring to secure orders which would give employment to their constituents, and had been refused, that they should be paraded from one end of the country to the other as using political influence upon the Shell Committee; and so I wrote to Mr. Thomas on the 9th day of September, 1915, this letter:

> My dear Sir,—An interview granted by you to a representative of the Montreal Herald has been and is being widely used throughout the Liberal press of Canada as the basis of an attack upon the Government. A great many indignant letters from Conservative members of Parliament reach me daily on the subject.
>
> Your observations are construed as a declaration that the Government regardless of its duty has permitted political considerations to interfere with the production of munitions in Canada. If you were of that opinion it would seem to me the proper course was to bring the subject in the first place to the attention of the Government. I repudiate in the strongest manner any suggestion that we were in the slightest degree influenced by any such consideration.
>
> As an illustration of the character of the articles which are based upon your observations, I enclose for your information an editorial in the Peterboro Examiner which you will kindly return after perusal.
>
> I venture to bring the subject to your attention as it may be necessary for me in the early future to make public allusion to the subject.

To this Mr. Thomas replied on the 11th day of September, 1915:

> My dear Prime Minister:
>
> In reply to your letter of September ninth, drawing my attention to an editorial in the

Peterborough Examiner, based on a statement alleged to have been made by me to a representative of the Montreal Herald, I have only to say that I never made such a statement as that attributed to me and that had I thought that the Dominion Government had permitted political considerations to interfere with the production of munitions in Canada, I should certainly, as you suggest, have brought the matter in the first instance to the attention of the head of the Government.

My attention had previously been drawn to the statement to which you refer, and I mentioned to Sir George Foster during your absence the fact that it had no foundation.

You are at liberty to make any use that you may think fit of this letter.

In accordance with your request, I return the newspaper clipping in question.

Yours very faithfully,

(Sgd.) D. A. Thomas.

I hope that the journals which used this supposed interview as the basis of an attack upon the Government, and as evidence that the Government were using political influence in connection with the Shell Committee, will be good enough to give equal publicity to the fact that the supposed interview is an absolute fabrication and that Mr. Thomas never used the language which was attributed to him.

Mr. GRAHAM: My right hon. friend referred to the Peterborough Review as having published one editorial article, and in reading the next page he referred to the Peterborough Examiner. Which one was it?

Sir ROBERT BORDEN: The Peterborough Examiner is the name of the paper mentioned in the letters.

Mr. GRAHAM: My right hon. friend in reading one letter quoted the Peterborough Review as wanting an inquiry and in the next breath it was the Peterborough Examiner. Which is it?

Sir ROBERT BORDEN: It is the Peterborough Examiner.

Now I come to a question which my right hon. friend dealt with in his endeavour to make it appear that it is an entirely proper thing for the Government to refuse to bring down papers in respect to matters transacted by a department of the Government for the United Kingdom, whereas it is a highly improper thing to take the same course and to refuse an inquiry in respect to matters transacted by a committee acting directly for the British Government and under its direction. That is the point which my right hon. friend makes. Let us see just what his position was in 1903. The question came up then as to whether or not certain papers should be brought down in respect to business carried on and orders fulfilled by a department of the Government, of which he was the head, for the British Government. My hon. friend says that there is a great difference between this case and that case because that was a motion for inquiry and this is a motion for cause. It seems to be a remarkable position, that, in respect to a matter as to which the papers cannot be brought down, nevertheless an inquiry can be had. That strikes one as a remarkable distinction. If the subject is a proper one for inquiry in this Parliament, one would suppose that it would be a proper thing to have the papers brought down in order that an inquiry might be founded upon them; at least, that appeals to my sense of what is logical and reasonable, although, apparently, it does not so appeal to my right hon. friend. What was the position which my right hon. friend took in 1903? He took this position, first, through his Finance Minister, who spoke for him in that regard, and next through his own lips. Mr. Fielding said:

> For all expenditure of the public money of Canada, the ministers are accountable to this House and the House is entitled to every information, but this is an expenditure of Imperial money for which this Government is not accountable to this House.

Further on:

> If this were the public money of the Dominion, my hon. friend's motion would be a proper one, and we would be bound to bring down a return showing how it was expended.

Further on:

> The matter would be a proper one to be brought forward in the Parliament of Great Britain but not in this House.

Why? For the reason that the money was the money of the United Kingdom for which the ministers were accountable to the Parliament of the United Kingdom and this Parliament had therefore no right to inquire into its expenditure. Further on:

> As the money expended was not that of the people of Canada, there is no ground on which this Government can be called to an account here for that expenditure.

And my right hon. friend himself said:

> We have had no complaint from the British Government, and I therefore see no reason why this House should inquire into the expenditure of money which does not concern it.

Not only in this case have we had no complaint from the British Government, but we have had express statements from representatives of the British Government in this country that they are entirely satisfied with the work which the Shell Committee has done on their behalf.

There is another matter which I would like to bring to the attention of the House and the attention of my right hon. friend: It was not during the Boer war, nor has it been during this war, the practice of the British Government to favour or to grant inquiries into such matters during the progress of the war. The subject came up during the Boer war. An inquiry was moved for in the British House of Commons. The question which arose and which had to be determined by the leaders on that occasion was not as to whether an inquiry should be held, because all agreed that an inquiry must be held, but as to whether or not that inquiry should be interjected into the middle of the war, or whether it should form part of a general inquiry into the conduct of the war to take place at its conclusion. This is what Mr. Balfour said on that subject:

> Then comes the question of the date of the inquiry. It had better begin as soon as the war, to use the phrase of my right honourable friend, is substantially over, and as soon as the necessary witnesses are obtainable. I hope that statement is sufficiently extensive and explicit.

Mr. Asquith, speaking in the same debate, said:

> The Government promise that they will form part of the general inquiry which is to take place at the close of the war, and that the facts so far as they are ascertained, will thus be brought to the light of day. On that distinct assurance I think my honourable friend may be well content with the result he has achieved in initiating the debate and that he should not in accordance with the general feelings of the House proceed to a division.

So the motion for an inquiry was withdrawn not only at the request of Mr. Balfour, the leader of the Government, but at the request of Mr. Asquith, the leader of the Opposition. That had reference to a general inquiry in regard to matters in connection with the war. But later on the question was raised as to an inquiry more like that which my right hon. friend proposes here. A member asked whether an inquiry would be held into the hiring of transports, the prices paid, the length of the passages, the food supplied to the troops on the transports, and the question why the fast mail steamers subsidized by the Government were not requisitioned. Mr. Balfour answered that this would form part of the general inquiry to be held at the end of the war.

Sir WILFRID LAURIER: What date is that?

[Sir Robert Borden.]

Sir ROBERT BORDEN: February 25, 1901. When the war was over and not before, they proceeded with a general inquiry into these matters. I think that is the general inquiry alluded to by Mr. Balfour, and the War Office also started a departmental inquiry of its own. Out of that departmental inquiry certain facts were gathered which, in the opinion of the British Government, justified the issue of a Royal Commissioin in regard to certain matters. They made an inquiry in South Africa in regard to the expenditure of money, and the report of the Commission in the end was that between £750,000 and £1,250,000 had been lost or wasted or misappropriated. But none of these inquiries was held during the war, and no inquiry of a similar character, or one which would disclose the resources of the country to an enemy country, has been held during war so far as I am aware, since the attempt to hold such an inquiry during the Crimean War. My right hon. friend knows that that inquiry was opposed most warmly and most bitterly by Mr. Gladstone, and that in the end it proved an absolute fiasco. What would happen if we undertook to hold a Parliamentary inquiry into the record of the Shell Committee? What is the object of the leader of the Opposition? The Shell Committee, in the first place, is functus officio; its duties have come to an end. But what would you do? You would encumber the time and absorb the energies of the Imperial Munitions Board. You would expose all those matters which the British Ministry of Munitions desire to have kept secret during the war. If there were such deficiencies as my right hon. friend alleges in the production of munitions in Canada, they would be exposed to the enemy; the whole procedure, the entire organization, every confidential information with regard to the production of shells in this country would be laid bare, and it must be perfectly obvious to any hon. gentleman in this House that the Government of Canada could not undertake any such responsibility as that without the direct approval and sanction of the British Government, which must largely control in such matters.

There is one further point in that connection which my right hon. friend makes, and which was made in the first place by the hon. member for St. John (Mr. Pugsley.) He says that we must proceed to make an inquiry into the expenditure of the British Government upon shells because we are receiving our supply of shells from the British Government and must

pay for them. He did not say they were excessive prices, but some of his supporters had said it before him, and I suppose he was alluding to that in the argument he made. Let us look at that for one moment. I say that the prices in Canada are on the average rather lower than those obtained in any other country, and if we are going to proceed with an investigation on the ground—because that is really the ground—that the British Government will charge us too much for shells, we should have to investigate their purchases of shells in the United Kingdom and in the United States as well. We should have to go thoroughly into the whole question if we go into it at all. If this investigation is to be an investigation worthy of the name, it must be a thorough investigation. And if my right hon. friend puts it forward on that ground, then this Parliament must undertake to investigate the price paid for shells by the British Government in the United Kingdom and in the United States of America. And then at the end of the investigation we must go to the British Government and say: "You did not understand your business; you have paid too much for shells, and the Parliament of Canada instructs the Government of Canada to ask you to make a reduction on them." And we are to do that in the midst of this war. That is the position to which my right hon. friend logically commits himself when he puts his motion forward on that ground. Of what advantage would it be to us to investigate the prices in Canada, when higher prices are being paid by the British Government elsewhere? It is perfectly obvious that such an investigation as my right hon. friend proposes would not be thought of for one moment by the British Government during the progress of this war. And if it is not to be thought of by the British Government during the progress of this war, should we proceed to investigate these matters, which admittedly are the subject of investigation by the Parliament of the United Kingdom? Will my right hon. friend deny, or will any hon. gentleman on the other side of the House deny, that it would be a perfectly competent thing for the Parliament of the United Kingdom at the proper time to make an investigation into the expenditure by the British Government for shells whether in Canada, the United States or Great Britain? No man in his senses would deny that such would be a proper function of the British Parliament at the proper time. Well, if this is a function of the British Parliament, how is it also a function of the Canadian Parliament? Will any hon. gentleman opposite explain that to me? And will he venture to explain and justify any such proposal for an investigation by this Parliament into the purchase of shells by the Government of the United Kingdom, not only in Canada, but in the United States and in the British Isles?

Mr. Speaker, when one comes thus to consider and investigate the basis and meaning of this motion, and the proposal on which it is put forward, it would appear that my right hon. friend has not given sufficient reflection to the course which he proposes to pursue and that he fails altogether to realize the scope and tendency of the motion which he proposes. It could not stop where it purports to stop, but it must follow into an investigation of every transaction by the British Government in the purchase of shells; because, for the reason which he puts forward, the people of Canada are just as much interested in the purchase of shells in the United States and in the United Kingdom as they are in the purchase of shells in Canada. But it would not stop there. If we take that step, why should we not go a little further? For the purpose of co-operation with the British Government we arranged with them that they should supply a great many of the necessary articles for our troops at the front. They supply big guns for instance, 18-pounders and others; howitzers, demolition explosives, miscellaneous stores, such as articles and material for repair and preservation purposes, viz, oils, paints, and a dozen other articles; camp equipment, including tents, cooking stoves, tables and seats, etc.; barrack utensils such as bedstead and bedding, furniture, kitchen utensils of all kinds; food for men and animals, such as bread, meat, groceries and porridge; local transport, both motor and horse vehicles; medical supplies, as drugs, instruments, technical equipment, clothing; veterinary supplies; engineers' supplies, as lumber, nails, metals, tools, etc. The British Government provides all these things for our troops at the front because in the carrying on of the vast operations in France it would be absolutely impossible for us to have an organization which would supply these articles for our own troops. They are therefore supplied by the British Government, and an arrangement will be made later on, when the accounts are sent to us, by which

we shall reimburse the British Government for these necessary supplies to our troops at the front. In some cases, perhaps, the prices charged to us may be higher and in other cases lower than the prices which we pay in this country. Does my right hon. friend propose that we should stop in the midst of this war and conduct a Parliamentary inquiry into the cost of all these articles for the purpose of ascertaining whether the British Government is charging us too much or too little? Why, I venture to think that my right hon. friend would not for one moment make a suggestion of that kind, and yet that is the course to which his motion points, if there is really any reason at all behind his motion, and I must confess that in my opinion there is really nothing behind it.

Upon all these considerations I greatly regret that my right hon. friend has seen fit to make the motion, and accompany it with the speech he has made to-day. As far as an investigation into the work of the Shell Committee is concerned, that investigation has been made to the extent desired by the British Government, first by Mr. Thomas, and next by Mr. Hichens. They expressed themselves as perfectly satisfied with the course the Shell Committee had taken and with the work which it had done.

Now, what course does the Government propose to take with regard to the motion which my right hon. friend has proposed to this House? As far as the Shell Committee is concerned—I shall speak afterwards of another matter—our proposal is this: We shall direct the attention of the British Government in detail to every charge, allegation and rumour brought up in this House or elsewhere by my right hon. friend or by any of his supporters with regard to the Shell Committee. We shall further inform the British Government that if an inquiry is thought advisable, we are prepared to co-operate with them to the fullest extent, and to issue any commission, take any proceedings, pass any legislation, and do any other act for the purpose of making that inquiry as full, thorough, and complete as they deem advisable. But without their consent or approval, we do not propose to enter upon an investigation or inquire into such expenditures by the British Government, especially as such an inquiry could not fail to interfere very seriously with the work carried on by the Imperial Munitions Board, which at present conducts a business involving the payment of not less than $5,000,000 per week. Such is our position with regard to that. As a matter of fact, during the last session of Parliament, for six weeks the staff of the Department of Militia and Defence were prevented from carrying on their ordinary duties, and the interest of this country suffered because they were employed in doing nothing but attending the Public Accounts Committee and looking up the papers demanded by hon. gentlemen opposite. The business of this country in connection with the war thus practically stopped for six weeks; and so far as I am concerned, I do not intend, without the express approval and sanction of the British Government, to stop the business of the Imperial Munitions Board. My right hon. friend with one breath tells us that munitions, more munitions, and still more munitions, are required at the front; and with the next he proposes a resolution that, if passed, could not fail to prevent the production of munitions in this country upon as great a scale as would be both possible and desirable.

I have something else to say to my right hon. friend. On many occasions in the past he has laid down in very plain language the rule with regard to making charges. In 1897, when a certain allegation was made in the House, he said to the then leader of the Opposition, Sir Charles Tupper:

> If he will make a charge plain and substantial that we can understand, I will meet him, but I will have no cowardly insinuations in regard to that matter.

—He said on another occasion, in 1897, in reply to the late Mr. Davin:

> If the hon. gentleman wishes to make a charge against any member of the Government, or any member of this House, there is a proper way to do so, and conform to the rules of the House, viz: to make a personal statement on his responsibility as a member of the House, conclude his statement with a charge, and that charge must then be investigated.

And he has used similar language in this House on various other occasions. I have his declarations under my hand, but I do not intend to weary the House with them. If, however, he or any of his followers has a charge to make against any member of the Government with respect to the Shell Committee or with respect to anything else, let him or his follower stand up in his place, and on his responsibility as a member, make that charge, and it will be investigated thoroughly and completely. The

Shell Committee is one thing; the Government's responsibility in connection with it is another. I thoroughly admit what responsibility we had with regard to the Shell Committee, namely, to appoint men of good repute, of high character, of experience, of recognized ability, and to co-operate with them so far as in us lay in order that they might do their best to develop the industries of this country for the production of munitions. But there is something else to be said, and I repeat that, if my right hon. friend, or any of his followers, has any charge to make against a member of the Government in regard to any of these matters let him make that charge in distinct and understandable terms, and he will have the investigation as soon as he so desires.

I regret to have detained the House at such great length with regard to this subject, but it is an important one, and it has been much misrepresented in the press of Canada, and I think in this House to a very considerable extent. I therefore thought it my duty as head of the Government to make absolutely clear to this House and to the people of Canada just what the connection of the Government was with the Shell Committee, and what it is with the Imperial Munitions Board, and to make it clear, also, that, as far as either the Shell Committee or the Imperial Munitions Board is concerned, we have absolutely nothing to conceal and nothing to fear. If any investigation is sanctioned or approved by the British Government in regard to either the Shell Committee or the Imperial Munitions Board, we have not the slightest objection, and we will assist and co-operate in every way. So far as our own affairs are concerned, so far as the actions of the members of the Government are concerned, these stand upon a different basis, and as to these I shall be prompt to accept any challenge that my right hon. friend or any of his followers may see fit to make in this House.

Mr. F. B. CARVELL (Carleton, N.B.): Mr. Speaker, we have all listened with a great deal of interest and attention to the very weighty and sage remarks of the right hon. the Prime Minister, and there is no question whatever that he has made his present position fairly clear, and his followers seem to accept it with the very best of good grace.

Mr. W. H. BENNETT: It is sound reason.

Mr. CARVELL: The followers of my right hon. friend can swallow with wonderful grace anything which means putting on the gag in order to prevent the people of this country from getting the information to which they are entitled. My right hon. friend's followers will gracefully swallow anything which means to put on the lid and keep it shut down tight in order to prevent information from leaking out.

Mr. W. H. BENNETT: Rot.

Mr. CARVELL: My right hon. friend has made it very plain that there will be no investigation and no information given to the public with regard to the Shell Committee or the Imperial Munitions Board. Well, Sir, of course, he is ruler in his own house, and he seems to have a fairly—I was going to say servile; I would not use that word—loyal following.

Some hon. MEMBERS: Hear, hear.

Mr. CARVELL: And then I might use another adjective and say that he has a mighty docile following, because when the right hon. gentleman says, "Put on the lid," every hon. member behind him jumps on the lid and keeps it down.

An hon. MEMBER: Cover it up with hay.

Mr. CARVELL: My right hon. friend says that when the British Government asks for an investigation into the Shell Committee, he is willing to grant it. He says that when the right hon. leader of the Opposition or any other hon. member on this side makes a specific charge against a member of the Government he will grant an investigation into that. He says that when we make specific charges against any member of the old Shell Committee or the present Munitions Board he will grant an investigation into them.

Sir ROBERT BORDEN: I did not say that.

Mr. CARVELL: Am I not quoting my right hon. friend correctly?

Sir ROBERT BORDEN: No.

Mr. CARVELL: Wherein am I wrong?

Sir ROBERT BORDEN: I am sorry if my hon. friend did not understand me. I said that, so far as the Shell Committee or the Imperial Munitions Board are concerned, whenever the British Government desired our co-operation in any investigation which they approved or sanctioned, we would give them that and use the

present powers of the Government, or any further powers conferred upon us by legislation, to make that inquiry complete, ample, and thorough.

Mr. CARVELL: Did not my right hon. friend, just before he sat down, go so far as to say that if any member of this House preferred any specific charge against the Shell Committee or any member thereof—

Sir ROBERT BORDEN: No.

Mr. CARVELL: I will leave it to Hansard. I say that my right hon. friend did say so, and Hansard will tell which is correct.

Sir ROBERT BORDEN: My hon. friend is mistaken.

Mr. CARVELL: My right hon. friend has no intention of allowing any investigation. He does not appreciate the position from which this matter has been approached by hon. gentlemen on this side of the House; or, if he does appreciate it, he will not accede to our request for an investigation. We are not making charges against the members of the Government; we do not say that members of the Government made a million or two or ten million dollars out of the operations of the Shell Committee. No one makes such a charge, and no one says that any member of the Shell Committee stole anything, although I will try, before I get through, to show that they made pretty big profits. I have no criminal charge to prefer against the members of the Shell Committee; but I suppose that unless I can go that far my right hon. friend will tell me that I have not complied with his requirements, and so cannot have an investigation. We stand on our sovereign rights as representing the people and demand an investigation of the expenditure of our money.

Mr. R. B. BENNETT: Name
9 p.m. a dollar that—

Mr. CARVELL: What is wrong with my hon. friend?

Mr. BENNETT: Name a dollar of Canadian money that has been spent.

Mr. CARVELL: My hon. friend has not been here lately, and I suppose he is trying to make up for lost time. Those of us who have been here and attending to our parliamentary duties can take this discussion in a quiet, businesslike way. But I will show my hon. friend a good many Canadian dollars spent before I am through —I'll try to anyway. My hon. friend probably was not here when, early in the session, the Minister of Finance admitted, in reply to a question by the hon. member for St. John (Mr. Pugsley), that we were paying our full proportion of the cost of this war. We are going to pay for supplying the Canadian troops with ammunition, just as we pay for supplying them with clothes. The Finance Minister has stated on more than one occasion that we are paying for these supplies out of the moneys raised in Canada by the internal loan. At the end of the war there will be an accounting with the Imperial Government and whatever proportion is ours to pay will have been paid already, and whatever proportion is not ours will come back from the British Government. Therefore, Sir, we are spending our own money. We have now, in all probability, about one twenty-fifth of the British troops at the front; before the war closes we may have one-fifteenth—and I hope we shall. We have in Canada three hundred munition factories, according to all the evidence, and we are told that there are three thousand such factories in Great Britain. On that basis, we have one-tenth the productive power in munitions that they have, but probably our factories are not so great as theirs. At any rate, we have a fairly large proportion of the burden of supplying munitions—and that is what we are talking about, the purchase by this old Shell Committee in Canada of munitions for the use of the British and Canadian troops. That being so, we are spending our own money, and this Opposition is only asking that which is the right of any Opposition, or of any representatives of the people, to investigate how our money has been expended. When Parliament meets every year a resolution is passed in the House without quibble—it goes through as a mere matter of form—referring to the Public Accounts Committee the accounts of the previous fiscal year. Do we have to lay a charge against any official to have access to these accounts? No, they come to us as a matter of right. All we are asking here is that you give us the right to investigate these munitions accounts. And I submit that the Prime Minister is dodging behind a most unreasonable barrier when he says: You cannot get an investigation, you cannot investigate the expenditure of your own money to the extent of perhaps two or three hundred million dollars, until you lay a charge against some one. His followers may

consider that they are loyal to him when they applaud him in taking a stand like that. But let them go to their constituencies and see what even their own supporters will tell them about that. There is nothing to which the people of Canada are giving so much attention, outside the prosecution of the war, as the question whether the Prime Minister is going to give the people a chance to get to the bottom of this unsavory mess.

I addressed this House something over a month ago and went into certain phases of this matter rather exhaustively. I will try, in my brief remarks to-night not to repeat anything I said on that occasion. It may be impossible entirely to keep away from it all. The Prime Minister waxed eloquent over the question of patronage, and wants the people of Canada to believe that there has been no party patronage in the handling of affairs by this old Shell Committee. No wonder my hon. friends opposite smile when that proposition comes before them, for they know a little better than we do just what they have done and how far they have succeeded. The Minister of Militia (Sir Sam Hughes) says there has been no patronage. I gave a few illustrations of the forming of mushroom company after mushroom company. I named about fifteen of these concerns, including some that had been formed by Conservative heelers and workers, to manufacture shells and rake in some easy money. Take the case I pointed to in New Glasgow, N.S., where the local Conservative committee organized two shell companies. Take the case of the company that sent in 500 shells which were rejected, and afterwards sent them back again—I will not go over that sordid story again. It may be possible that the lives of our men, and not only their lives but the result of a battle may turn on the use of those rejected shells. Yet, though the Prime Minister had knowledge of these facts for the last four or five months, these same people have been allowed to go on and manufacture shells. And yet these hon. gentlemen tell us that there is no patronage. Wherever you go throughout Canada you will find the same condition of affairs. But I discussed that on a former occasion, as I have said, and shall not devote further time to it.

The Prime Minister asks what would happen if we went into an investigation. Well, I can tell him a few things that would happen. He would find that this Shell Committee, instead of buying shells of all kinds in Canada cheaper than they were bought in England, paid in most cases at least 25 per cent more than was being paid for shells of the same kind at the same time in England. I will prove this statement before I am through. And I will not do it by bringing forward documents that I am afraid to read.

Mr. ROGERS: Who is afraid to read documents?

Mr. CARVELL: The Minister of Public Works (Mr. Rogers) was not here, and does not know to what I refer.

Mr. REID: The Prime Minister did not say—

Mr. CARVELL: He did not read them. And I say it is pretty small business of the Prime Minister to bring a document before this House and say: The gentleman who sent this document—Mr. Lloyd George in this case—says he does not think I should read the prices. And then he starts in to read the rest of the document, and when we object to that merely gives certain deductions. I have seen a few pretty sharp tricks in this House but this comes the nearest to that kind of thing that I have ever known to be practised by a prime minister. If he wants to be fair to the House he will lay that document on the Table, and then we can make our own deductions. I have some information on this subject, and I am going to take all the time that is necessary to support the deductions I have made; and I think before I am through I shall have convinced the Minister of Militia anyhow that he had better have that document laid on the Table that we may make our own comparisons and draw our own inferences. I want to tell the Minister of Militia, and the Prime Minister also, that if they will lay that document on the Table they won't be able to substantiate the deductions which the Prime Minister has drawn from it and given to this House.

I state as a fact and I am prepared to prove, I will prove to-night by evidence that I think will satisfy even my hon. friends opposite, and I will prove to the country beyond the possibility of dispute, if my hon. friends will give us a committee, that the prices in Canada are not lower but are higher than they are in Britain and higher than they are in the United States. I will prove that from the lips of the Minister of Militia himself, and from the documents out of his department.

The next reason put forward by the right hon. Prime Minister for not appointing this committee was that the British Government had not demanded it; the British Government say: "We are not asking for a committee." No, of course they are not. But do my hon. friends realize that this Empire is at war? I do not think they do. I listened to the Prime Minister this afternoon for over two hours, and, apart from a slurring remark which he made to my right hon. leader at the beginning of his speech, he entirely forgot the fact that the Empire needed munitions. According to his argument, the prime object of the Shell Committee was to distribute patronage and distribute business over Canada regardless of whether we got shells this year or next year, or any year, so long as we got the money distributed among the Canadian people. I should like my hon. friends to point out any other argument or reason put forward by the Prime Minister for obtaining this business and carrying it on. It makes no difference to the Prime Minister whether the British Empire is supplied with munitions or not.

Mr. WILCOX: Rot.

Mr. CARVELL: What is wrong over there anyhow? A gentleman who has been in Parliament as long as the gentleman who has just said "rot" had better stand up when saying it.

Mr. WILCOX: I will stand up, and I will say you are talking rot.

Mr. CARVELL: I am glad you stand up. No, Mr. Speaker, do not call him to order. He is the last man in the world I would call to order.

Mr. SPEAKER: It is my duty to call the hon. member for North Essex to order, and to ask him to withdraw the expression he has just used.

Mr. WILCOX: I will gladly withdraw the remark, but if I was talking as the hon. gentleman is, I am sure that I would believe that I was talking rot.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. CARVELL: It is immaterial to me, because if there is a man whom I would not try to answer, or with whom I would not enter into an altercation, it is the hon. member for North Essex. So he is at liberty to talk any way he likes, so far as I am concerned.

[Mr. Carvell.]

Mr. WILCOX: I do not talk very often.

Mr. SPEAKER: Order.

Mr. CARVELL: The Prime Minister took a great deal of credit to the Government over the fact that they had been able to distribute, or rather had been able to receive, orders for $380,000,000 worth of munitions in Canada, and expected to have orders for $500,000,000 before the close of the war. He took a great deal of credit to the Government because the manufacturing establishments of Canada had been kept busy. For about an hour of his time he attempted to show that we on this side of the House were casting slurs and insinuations, and I think I could go so far as to say that we were saying disrespectful things of the manufacturers of Canada. Who has heard any member on this side of the House finding fault with the manufacturers of Canada over the manufacture of shells? No man has ever heard me find fault with them, and I have addressed the House at considerable length on this question; nor has any other hon. member on this side of the House found fault with them. In fact, I went so far as to say that we wanted munitions and I did not care who made them. I even said that if the Prime Minister were the owner of the only industry in Canada that could make munitions and make them quickly the order should be given to the Prime Minister. I say that here to-night. We do not care who gets the orders; what we do care about is to have the business so done that we will get the munitions and get them in time and at reasonable prices. That is all we have to say about it; and our complaint about the Shell Committee is that they did not get the munitions in time and did not get them at a reasonable price.

My right hon. leader (Sir Wilfrid Laurier) made the statement this afternoon that at a certain time not more than two per cent of the shells had been delivered. He did not say that only two per cent had been delivered at the present time but that at the time of which he was speaking, that was last July, only 2 per cent had been delivered. We knew that more than that had been delivered at the present time. In fact, I can tell my friends almost to a shell how many shells have been delivered, and I can inform the House that there has been delivered about one-third of the shrapnel, a little less than that of the 18-pounder high-explosive shells, and around one-third

of the 18-pounders; a good deal less than that of the 4.5's. When you come to the larger shells, practicaly none have been delivered. What we complain of is that the Shell Committee, instead of organizing the industries of Canada for the purpose of turning out a shell that was some good, made it their principal object in life to get business for themselves and their own companies. I complain that in order to keep up the prices for themselves and their own companies they were compelled to allow every other person manufacturing in Canada to get a bigger price than the justice of the case demanded or would allow under the conditions. That is my charge—I should not call it a charge but that is the fault I find with the old Shell Committee, and that is the reason why I want this matter investigated. I want to show how this business has been carried on, and I want to show the people of this country how their money and not British money has been squandered—because I cannot use any milder term—by the Shell Committee, squandered, not by the thousands or hundreds of thousands, but by the million, in taking big contracts to themselves and then, in order to get these big contracts themselves, they were compelled to give contracts to many other people at the same exorbitant prices. I think I will come pretty near proving, before I am through, that I listened in vain to my right hon. friend for any reason other than the one I have given as to why this committee of investigation should not be granted. I am going to give the right hon. gentleman some further reasons, and I hope that I will convince him that he had not all the information under his hand, and that he will admit when I have finished that further light has been vouchsafed to him, sufficient to make him change his mind and admit that the people of Canada, in their sovereign right, have the right to demand an investigation of the expenditure of their money. That is what we are asking for. If there is gross suspicion cast around the expenditure of that money, then I think we have the right to come here and demand that the Prime Minister give us the right to investigate these matters, but not by a Royal Commission. The Parliament of Canada is not running this country by Royal Commissions; it ought not to be anyway. But, Sir, we have the right to ask an investigatioon by a committee of this House, representing the people of Canada, who have the legal right to investigate these matters and pronounce upon them. We have had one illustration of the workings of Royal Commissions. I had occasion to point out something of the way in which this Royal Commission conducted its affairs about six weeks ago, and I am happy to say I think that did them good. I do not think they would have got the evidence of this Mr. Stone, from New York, taken on a Sunday in the Chateau Laurier if it had not been for some things that had been said in this House. I think that did this Royal Commission a great deal of good. But, after all, that Royal Commission did not even get on the fringe of the subject. They never touched the fuses at all, the most nefarious transaction in the whole sordid story. My hon. friend shakes his head? I repeat it—the most nefarious transaction in the whole sordid story. With the fate of the Empire trembling in the balance, with uncertainty as to whether it is going to be victory or failure, and, as my right hon. leader pointed out, with the Allied troops pressing the Germans at the battle of the Marne and having to stop because they had not ammunition, for one long year they were in that position, fighting against horrible odds, without the munitions with which to fight, while the Shell Committee was grinding out shrapnel shells by the millions; yes, by the five, six, and seven millions, grinding out high-explosive shells by the million, grinding out 4·5 shells by the million, and making no attempt whatever to get fuses. A high-explosive shell of any kind, without a fuse, is just about as efficacious against the enemy as if you went up to Parliament Hill and got a lot of those old round iron balls which they used a hundred years ago, and fired them. Without a fuse you cannot explode a shell, and without the explosion it practically accomplishes nothing. And yet, they dilly-dallied and fooled away the time, what for?; in order that my hon. friend's friend, Colonel Allison, of New York, might be able to make his arrangements, get his combinations together, his sub-contractors together, and arrange for his rake-off; in order that Colonel Allison, the only honest man, according to the evidence of the Minister of Militia and Defence, might be able, I repeat, to get together his combinations, to get together his sub-contractors, to arrange where the contracts were to go, to arrange the sub-

contracts by which the shells were to be manufactured, and in order to provide for his share of the profits of the transaction in the end. And this Empire on the brink of destruction because we had not fuses with which to explode the shells that were manufactured.

These are some of the things which I charge against this Shell Committee, a committee which existed almost a year, a committee of experts, with a gentleman so expert as the hon. Minister of Militia at their head, which frittered away ten months and made no attempt whatever to get fuses; a committee which devoted its energies to machining shrapnel and high-explosive shells because it could make one hundred, two hundred, and three hundred per cent on the transaction; a committee which forgot all about the objects for which it was appointed, which forgot the real necessities of the case; and you tell me that we are unpatriotic, that we have no right to come here and ask for an investigation into that condition of affairs. I tell you that it is insulting the intelligence of Parliament, it is insulting the intelligence of the public of Canada, for the Prime Minister and his back-bench followers to make the statement that we are not entitled to an investigation under these conditions.

My hon. friend the Minister of Militia went into a somewhat lengthy description of the constitution of the Shell Committee, and I desire to read from Hansard, pages 296-297, for I think it is necessary, in order to make my argument complete, that I should give in detail the contract which resulted in the formation of the Shell Committee. I am glad I have set my hon. friends thinking over there; it is a good sign when they get on the anxious seat, and I am very glad that they are now giving me some attention.

Sir SAM HUGHES: I must apologize. I do not know one word my hon. friend said, but if he has anything to say concerning me I wish he would repeat it.

Mr. CARVELL: I have so much to say that it is not necessary to repeat it. My hon. friend will be satisfied by the time I get through. The minister says that on 24th August he received a cablegram from the War Office as follows:

> Can you provide or obtain from American trade shell empty shrapnel, Q.F. guns, 18-pr., without cases or fuses. If so, what rate delivery could you promise?

[Mr. Carvell.]

That meant an ordinary empty 18-pounder shrapnel shell. If any one wants a description of an ordinary 18-pounder empty shell, the minister gave it to us; he will find it on page 295 of Hansard. He gave a pretty nearly accurate description of an empty shrapnel shell and I am going to read it. You remember, Mr. Speaker, that the minister had on his desk, not only a shell but a cartridge. I have forgotten whether he had the fuse on the end of the shell or not; I think not. This is his description:

> This is what we term an empty shell (showing the whole shell). This is the steel shell case (showing), with the copper driving band on it fitting into the grooves of the barrel. The brass part which fits on the top of the shell case is called the fuse-plug, and in the shell at the present time is a powder cup empty.

and so on. That was how the minister described the empty shell. The British Government wanted to know if they could obtain a price from the American trade. There was an answer stating that they could get large quantities from their neighbours. On August 26, the War Office cabled the Militia Department again as follows:

> Your telegram August 26. Please cable quotation 100,000 segment shells, Q.F. guns, 18-pr. shells only. Presume you have detailed drawings and specifications. Can you arrange inspection. Am sending specifications of 15-pr. shrapnel shells, quotation required 100,000 of these.

There was another communication on the 2nd September, but it is not important, because it does not form part of the contract, and I am only reading those portions of the correspondence which allude to the contract. On September 2, the minister wired the War Office as follows:

> Have organized committee of manufacturers on shells. They guarantee 20,000 by first November and 300,000 monthly thereafter. May be able to largely increase this amount.

On the 11th of September another cablegram was sent to the War Office, and I hope, Mr. Speaker, that the members of this House will pay attention to this particular communication, because, to my mind, it is one of the most remarkable cablegrams in the whole correspondence: (Reads):

> Regarding shells. Have discovered one firm, Canadian General Electric, which guarantees alone to manufacture by the first of January 100,000, either 18-pr. or 15pr., and 100,000 monthly thereafter. Important to know will you want more than the 200,000 already placed.

As early as the 11th of September, we had a firm of the standing, ability, and reputation of the Canadian General Electric

Company, stating that they could manufacture 100,000 shells by the 1st day of January, and 100,000 monthly after that.

Mr. TURRIFF: What year was that:

Mr. CARVELL: In 1914, right after the commencement of the war. So far as my information goes, the Canadian General Electric Company did not get an order until they lay down in the summer of 1915, and then it was for only 25,000 18-pounder high-explosive shells. That cablegram, I think is one of the most remarkable parts of the whole correspondence. If there is a manufacturing concern in Canada with which I am intimately acquainted, it is the Canadian General Electric Company. I have done business with them for the last 12 years; I know that they are able to manufacture anything that any other firm in Canada can manufacture; they have the money, the organization, the ability, and the plant, and I know that, if they had been given an opportunity, they would have manufactured the shells, as they are doing now. I think, Sir, that if a committee is appointed, that is one of the things that might be inquired into: why the General Electric Company, who were willing to go into this thing, were never given a chance until they got a paltry order of 25,000 18-pounder shells. Take two other great electric companies in Canada, the Canadian Westinghouse Company, and the Canadian Allis-Chalmers Company, who, I think I am safe in saying, have got millions upon millions of dollars worth of orders. I cannot tell why it is. I have not a word to say against them; they are both splendid companies, well equipped, well organized, and both in a position to do business, but it is a most remarkable thing that the company, with its great equipment and organization, which made this thing possible almost, were entirely ignored while these other men were given the work. I have sometimes wondered if the fact that the same gentleman who is manager of the Canadian General Electric Company, is also, I think, vice-president of the Dominion Iron and Steel Company, probably the greatest manufacturing establishment in the whole Dominion, who were anxious for the business, who were willing to devote their whole organization, machinery, plant and business facilities to the manufacture of shells, and who pleaded and begged in vain for an order, had something to do with their failure to get work from the Shell Committee. They never got a chance to do business, never got a look in, until October, or November, 1915. I wonder if the fact that the great business competitor of the Dominion Iron and Steel Company happened to be the Nova Scotia Steel Company, the manager of which happened to be a member of this Shell Committee, had anything to do with it. I throw out that suggestion. It is something which hon. gentlemen opposite might think about, it is something the Minister of Militia might investigate. I make no charges, I only give my opinion. I hope the minister will tell us why the Canadian General Electric Company, the premier company in Canada in so far as the shell business is concerned, which was willing to invest its money in this industry at the beginning, was never given a chance, and in the end only got the paltry order that I have named, while other concerns were given millions of dollars worth of business. Then, the minister says that the following telegram was sent to the War Office:

> Reference your cipher September 17. Committee reports price of 100,000 shrapnel 18-pr. as per your cablegrams and specifications will be $8.55 each delivered at Montreal, 20,000 by November 1, and at least 30,000 monthly thereafter. Usual inspection charges. Shall we proceed? If so, please arrange line of credit through Canadian High Commissioner and in favour of Deputy Minister of Militia and Defence, Canada. Specifications 15-pr. just to hand. Price later. Please answer. Committee wait.

On the 19th September the War Office cabled as follows:

> With reference to your telegrams numbered 132 and 133, we accept the prices as offered for 100,000 each 15-pr. and 18-pr. shells Please proceed. We trust you will ensure punctual delivery.

There is the contract. Any hon. member who listened to the statement of the Prime Minister, and who had not gone into the matter himself, would have come to the conclusion that in some way the British Government had authorized us to pay out a certain amount of money and that we had saved them $15,000,000 by the transaction. You would also have believed that the British Government had cabled them and said: Go on and make shells at a cost of $8.55 apiece. I say that is not true. The British Government cabled them to see if the American trade could supply shrapnel shells and the Minister of Militia very properly said: We will make them in Canada, and they will cost you $8.55 for the empty shells. The War Office said: We will accept your offer; go on and make your shells. There is the contract. The minister says that this is a lower price than the price

existing either in England or in the United States at that time. The Prime Minister said that it was a little higher than the price in the United States or in England. However, I am not going to discuss prices just now. I am going to discuss this Shell Committee. I made the statement some time ago that the thing we objected to in reference to the Shell Committee was that it had given enormous orders to its own members at high prices and that, in order to get these high prices, it was compelled to give contracts to other firms at the same exorbitant prices. I am going to give you the results of my investigation. It is true that sometimes we have a lot of difficulty in getting information and possibly we might not be right exactly to a cent, but I am sufficiently assured of the facts that I am going to read to the House to stake my reputation as a member that if you will give me a committee I will prove them to the hilt or apologize to this House and to the committee and say that I did not know what I was talking about. The chairman of the Shell Committee was General Bertram, a gentleman with whom I have no quarrel, a gentleman who has always occupied an honourable position in the business affairs of Canada and I hope he will continue to do so in the future. I am here to make no attack upon General Bertram, on his private character or business ability; I am only speaking of him here to-night as the Chairman of the Shell Committee and if he had not conducted himself as he has done I would have had no right to drag his business transaction into the limelight of publicity. I am going to give to the House a statement of the business which the Bertram Company got in connection with this whole transaction. I find in the first place that the firm of John Bertram & Sons received fairly large orders from the Shell Committee. Perhaps I had better first of all state who John Bertram & Sons are:

The John Bertram & Sons Company, Limited, Dundas Ont.
James K. Cullen, Hamilton, Ohio, president.
Alexander Bertram, Dundas, Ont., vice-president.
Henry Bertram, secretary-treasurer.
R. C. McKinney, Chairman of Board.
Directors, same and Thos. T. Gaff, Chas. L. Cornell, of Orange, N. J., and Lucius B. Morgan, of Plainfield, N.J.

This firm, of which General Bertram is vice-president and Henry Bertram, secretary-treasurer, received contracts which, when carried out, will amount to the sum of $1,300,000. And here are the details of them:

J. Bertram & Sons.

1914—Oct., 15,000 *M. & A., 18-pr. shrap. at $5.15, $77,250.
1914—Dec., 5,000 *M. & A., 18-pr. shrap. at $5.15, $25,750.
1914—Dec., 25,000 *M. & A., 18-pr. shrap. at $3.75, $93,750.
1915—May, 100,000 *M. & A., 18-pr. shrap. at $3.15, $315,000.
1915—March, 75,000, *M. & A., 18-pr., H. Ex. at $5.70, $427,500.
1915—May, 100,000, *M. & A., 18-pr., H. Ex. at $4, $400,000.—Total, $1,339,750.
* Machining and assembling.

That is the business which the Chairman of the Shell Committee gave to himself. It was said by the Solicitor General and by the Minister of Militia that it was necessary to give the first orders at a high price in order to provide for the machinery.

In October they gave this concern a contract for 15,000 18-pounder shrapnel at $5.15, the highest price. But they were not satisfied with that, so in December they gave them a repeat order of 5,000 at the same price. I do not believe the Minister of Militia can point to another case in the whole business where a company got a second order at exactly the same price as the first. The next thing was that they got a contract in March for 18,000 high explosives at the top-notch price of $5.70 each. I would point out that there is no difference whatever in machining and assembling an 18-pounder shrapnel and an 18-pounder high explosive. I am not a manufacturer, but I have some knowledge of mechanics, and I believe that you can machine an 18-pounder high explosive for less money than an 18-pounder shrapnel

We might as well go into this thing thoroughly now that we are discussing it. The Prime Minister told us this afternoon how timid capital was, and the minister has told us how backward the banks were, and that the manufacturers were living over an abyss and could not be induced to go into the business. The minister said that at Valcartier they would not take his word as it might not be worth the paper it was written on, but insisted on getting assurances from the Premier that he would ask the British Government to make good if they lost on manufacturing shrapnel at $5.15 and high explosives at $5.70. We are told that the manufacturers went into this matter with fear and trembling. And yet the minister knows that a month before the Premier was in Valcartier—weeks before anyway—away back on the 11th of

September the Canadian General Electric Company, one of the greatest manufacturing concerns in Canada and if you include the parent company in the United States, one of the greatest manufacturing concerns on the continent—of their own motion, and without wanting anything by way of advance or bonus, offered to deliver 100,000 shrapnel shells on the 1st of January, and 100,000 monthly thereafter, and the minister cabled the offer to the War Office. And now the minister comes here with this cock-and-bull story about the timidity of capital, and the great difficulty of getting manufacturers to go into the business. What does the machining of shrapnel shells consist of anyway? A shrapnel shell consists of what is called a blank. In the first place it is a lump of steel; it is then put through a big machine, which punches a hole in it, and it then comes out and is known as a forging; it is then pointed at the nose; the walls are straight and are about eight or nine inches long; it is then put in a lathe, and is turned to the exact size, inside and out. You would think that a turning lathe was a new invention in the commercial history of the world, from the way these men talk—that it had not been seen in Canada before. I admit that in order to do this work economically the manufacturers had to get a different kind of turning lathe from the one ordinarily used in a machine shop. But there is not a little foundry in any small town in Canada that was not anxious to go into this business, anxious to invest $15,000 or $20,000 in additional plant in order to get a contract. I know of one plant in New Brunswick, not manufacturing 18-pounders, but 4·5, which is an altogether bigger proposition. They have an order, I think, for 40,000 rounds of 4·5, and it only cost them $12,000 to instal the necessary plant. Gentlemen opposite tell us these fanciful stories about the enormous expense in buying the necessary machinery and carrying on this business, but I am happy to say that even if they can fool some of the people they cannot fool all of us. As I was saying, the shell is put in a lathe and turned to the exact size; and, Mr. Speaker, you would think that the turning of a piece of metal to a certain size to fit a certain gauge, or caliper as it is called, was some mechanical art which should be rewarded by means of a statue and a medal. Why, there is not a little foundry in the country to-day that is not turning every day of its life shafts and bearings, and they are turning these to the one-thousandth part of an inch, doing the work so fine that nothing else has to be done to the metal. And yet gentlemen opposite tell us that these men, who have been doing such delicate work as this for hundreds of years cannot turn a shrapnel shell down to a certain gauge.

Exactly the same process is followed with regard to the inside of the shell. It is turned on the inside until the hole is just big enough, and then a seat is threaded in which to insert a brass socket. The brass socket is threaded on the inside and outside, and on the inside of the brass socket you have simply a plug, which is taken away when the shell is filled, and a fuse put in its place. That is all there is to machining an 18-pounder shell. The work in connection with the machining of an 18-pounder high explosive is even less than that, because the high explosive simply consists of a bar 3 inches in diameter and 15 or 20 feet long. The bar is sawed to the proper length, and is then put in a lathe and turned to the proper size. Then a little hole is bored in the base of the shell. The idea is that as the propelling or firing charge is behind, and as the shell itself is filled with a high explosive or gun-cotton, in case there was a pin hole or sand hole through the base of the shell, the explosive inside the shell might explode before it left the gun and there would be trouble. So in order to make assurance doubly sure, they bore out a little place in the base of the shell about 2 inches across and ⅜ inches deep, and insert in that a piece of forged steel which is threaded on the outside. This is done in order to make sure that the shell will not explode before it leaves the gun. That is all there is to machining an 18-pounder high-explosive. They do not even have to insert a brass socket in the nose of it. A hole is drilled through the centre and a plug put into that, and when they want to load the shell they take out the plug and put in the fuse. These are the operations in which such great mechanical ingenuity has been displayed by the manufacturers of Canada!

I have here a list of companies and the contracts which they were given. The first one is the Chapman Engine & Manufacturing Company, Limited, of Dundas, Ontario. I find that it is an allied company of the John Bertram & Sons Company, Limited, of Dundas, and its directorate is as follows: Stephen H. Chapman, Toronto, president;

Henry Bertram, Dundas, vice president; J. D. Pennington, Dundas, treasurer; Frederick W. Chapman, secretary; directors, S. H. Chapman, H. L. Frost, of Hamilton, and Ed. Fairburn, Buffalo, N.Y. This offshoot of the Bertram Company was awarded the following contracts:

Chapman Engine & Manufacturing Co., Ltd., Dundas, Ont.

1915—Feb.—M. & A., 10,000 18-pr. H. Ex. at $5.70, F.O.B. Dundas, $57,000.
1915—May—M. & A., 25,000 18-pr. H. Ex. at $4, F.O.B. Dundas, $100,000.
Total, $157,000.

Let us follow this a little further. I have already said that J. D. Pennington was the treasurer of the Chapman Engine & Manufacturing Company. Now, I find that this same J. D. Pennington is the president of the Valley City Seating Company. This company in 1914 got the following orders:

Valley City Seating Co., Dundas, Ont.

1914—Oct.—6,250 4 rd boxes at $3.90 each, $24,375.
1915—Feb.—10,000 4 rd boxes at $2.50 each, $25,000.
1915—July—10,000 4 rd boxes at $2.25 each, $20,250.
1915—Aug.—10,000 4 rd boxes at $2.25 each, $20,250.
1915—Sept.—10,000 4 rd boxes at $2.25 each, $20,250.
1915—Sept.—40,000 4 rd boxes at $2.10 each, $80,400.
1915—Sept.—20,000 4 rd boxes at $2.00 each, $40,000.
Total, $230,525.

Thus it can be seen that Bertram gave himself and his allied companies business amounting to $1,500,000. We say that we have a right to investigate these matters, and we have a right to see whether or not the prices paid were fair and reasonable, and whether, because they gave those prices to themselves, they were compelled to keep up the prices to other parties; and that we have a right to know whether they expended more of the public money than they should have expended in order to produce those results.

I pass now to the next member of the committee, Mr. Watt, a gentleman whom I have never met, a gentleman with whom I have no quarrel whatever. He is as modest as any of them; but he seems to be very closely identified with a firm of railway contractors who have been discussed in this House in the past to some extent, and with whom I have no great quarrel. I refer to the firm of Mackenzie & Mann. I find that the Universal Tool Steel Company, of which Sir Donald Mann is the president, the Hon. F. H. Phippen is secretary-treasurer, and Sir William Mackenzie, S. C. Wood, D. A. Cameron, William Clancy and Robert I. Henderson are the directors, received contracts amounting to $1,735,000 from the Shell Committee; and, as the list is not a very long one, I will give it to the House. These contracts are for machining and assembling:

1915—February, 100,000, 18-pr., H-ex., at $5.70, $570,000.
1915—May, 20,000, 18-pr., H-ex., at $4, $80,000.
1915—November, 20,000., 18-pr., H-ex., $2.25 (delivered), $45,000.
1915—December, 30,000, 18-pr., H-ex., at $1.75, $52,500.
1915—December, 50,000, 8-in., H-ex., at $19.75 $987,500.
Total, $1,735,000.

If one goes through the list of firms manufacturing shells, one will find plenty of mushroom companies throughout Canada able to take a contract for 10,000 shells at $5.70 each, and to buy the necessary machinery; but Mr. Watt's company had to have a contract for 100,000 shells at the top-notch price. These contracts show that in about ten months he dropped his price from $5.70 to $1.75. In regard to the last contract I know nothing, but it throws a great deal of light upon a certain line of argument put up by the Prime Minister this afternoon. My right hon. friend read a number of statements about prices which were absolutely misleading, and which were given to the House with the knowledge that they were misleading. That, Sir, is a pretty strong statement, but I make it here. He told us that those big shells were lower in price in Canada than in the United States or in Great Britain. That may be so, but he did not tell us that none of the contracts were let until November and December, 1915, after the whole world had been manufacturing shells for a year, and after the price of the 18-pounder high explosive shells had dropped from $5.70 to $1.75 in Canada; and he did not tell us that not one of those big shells was made in Canada in the first year of the war. That is the reason why I asked my right hon. friend to give the dates of those contracts, and his answer was that he did not have them. I do not doubt his veracity, but it is certain that the gentleman who prepared the comparisons for the Prime Minister did not treat fairly either the Prime Minister or the country—and I do not care which way you take it—because the first orders which the Universal Tool Steel Company got for those big 8-inch shells were in the month of December, 1915, all the contracts for the big shells being placed nearly a year after the war commenced. We have all heard the

story of how Mr. Jones, of the Canada Cement Company, went to the Shell Committee and offered to manufacture shells at a price far below that which they were offering at the time, and they told him he could not do it. He replied that he could do it, but they refused to give him a contract, because they said he would make a failure of the manufacture of shells. Think of the great Canada Cement Company making a failure of the manufacture of a few high-explosive shells! But Mr. Jones was not to be put off in that way; he went to the Prime Minister and told his story to him and to Mr. Thomas, and the Shell Committee were compelled to climb down and give the Canada Cement Company a contract for 9.2 shells at the price at which Mr. Jones was willing to make them; and, having given him a big order at that price, they could not raise the price to any one else. The Prime Minister knows all about this matter, and I would go into it in more detail if it had not been already so thoroughly discussed. The Prime Minister knows that that conversation took place after he came back from England in September; he knows that it was as late as October when it took place; and he knows that the contracts for big shells were not given until nearly a year after the war broke out. Therefore I say that, when the Prime Minister gives us the percentages showing the cost of these high-grade shells in Canada as compared with the cost in the United States and Great Britain, where they were manufacturing shells from the beginning of the war, he did not treat this House fairly; he made a comparison which was not creditable to the Prime Minister of Canada, and I hope the Minister of Militia will give us the exact dates on which those contracts were let, in order that the House and the country may make some comparisons for themselves.

These gentlemen managed to give themselves business to the amount of $1,735,000, but I want to be fair and state that less than half of that was given by the old Shell Committee. These people are probably entitled to less censure than any others, but the point that I want to make is this: If Mackenzie & Mann had an organization, a plant, if they were manufacturers, if they were the proper men to give a contract to for the manufacture of shells, I do not care who they are, I do not care whether the firm consists of the Prime Minister himself, we wanted shells and we wanted them quick. But Mackenzie & Mann did not have any organization nor any plant; they did not have anything at all; they simply organized a mushroom company, called it the Universal Tool Steel Company, and went out after contracts for shells. I am sorry the Minister of Militia is not here, because just at this point I have something to say to him about it, but I will say it to him later on. This firm got those contracts with the assistance of the Minister of Militia.

Mr. J. J. HUGHES: Keep that for himself.

Mr. CARVELL: Yes, I will keep that for himself. I come now to the third member of the committee, Mr. Carnegie, who was a director of and consulting engineer for the Electrical Steel and Metals Company, of Welland, Ontario. This, I think, is a genuine company doing a legitimate business; and if they took the business at proper prices and did not put up the price to anyone else, then I have no fault to find, because they were in the business, and what this Empire needed was shells, and these contracts should have gone to the people who were able to furnish the shells. The Electric Steel and Metals Company, of Welland, Ontario, on August 1, 1914, had the following directors: Robert Turnbull, Welland, president; J. H. Le Fevre, Welland, vice-president; D. Carnegie, London, England, consulting engineer; W. L. Renton, works superintendent, and E. Carnegie, London, England, secretary-treasurer. On January 1, 1916, the directors had been changed. Robert Turnbull was still president; E. Carnegie was vice-president and general manager; F. Birley, secretary. D. Carnegie had retired from the board because he was a member of the Shell Committee.

Mr. PUGSLEY: E. Carnegie was still a member of the Shell Committee.

Mr. CARVELL: Yes, I had forgotten that. He remained a director of this company, though he was a member of the Shell Committee. The directors were: Robert Turnbull, E. Carnegie, Sir Charles Ross, Bart., and W. L. Renton. And here is the business they got from the Shell Committee:

Electric Steel and Metals Co., Welland, Ont.

1914—Oct., *M. & A., 20,000 15-pr. shrapnel, $5 each f.o.b., Welland, $100,000.
1914—Dec., M. & A., 10,000 15-pr. shrapnel, $5 each f.o.b., Welland, $50,000.
1914—Dec., M. & A., 10,000 18-pr. shrapnel, cancelled.

1915—Feb., 90,000 blanks 4·5, $3 each f.o.b., points del., $270,000.
1915—March, M. & A., 65,000 18-pr., high ex., $5.70 each, $370,000.
1915—May, cancelled, 35,000 18-pr. high ex., $4 each f.o.b., Welland, $140,000 (cancelled).
1915—May, 50,000 blanks 4·5, $2.25 each f.o.b., points del., $112,500.
1915—June, M. & A., 100,000 15-pr. shrapnel, $3 each f.o.b., Welland, $300,000.
1915—Nov., M. & A., 50,000 15-pr. shrapnel, $1.70 each f.o.b., points del., $85,000.
1915—Dec., 350,000 blanks 4·5, $1.70 each f.o.b., works at Welland, $595,000.
Total, $1,885,500.

*Machining and assembling.

While the minister was out I was referring to a company which he knows something about, the Universal Tool and Steel Company.

Sir SAM HUGHES: I never heard of the name of the firm in my life until the present moment. The hon. gentleman spoke of Mr. Watt as being connected with some company. Mr. Watt is connected with Mr. Fred. Nichols' company, and I do not know of any other.

Mr. CARVELL: Yes, that is the General Electric, and they got no business.

Sir SAM HUGHES: Then, why condemn Mr. Watt?

Mr. CARVELL: I am not condemning Mr. Watt. I do not say that he was very close to this mushroom company. The hon. minister never heard the name of this company, eh? Well, I will ask him to go back to his office and look up the telegram he sent on the 18th of February, 1915, and then come back to-morrow and tell me if he ever heard of this company or not.

Sir SAM HUGHES: We are not coming here to-morrow.

Mr. CARVELL: Well, then on Thursday. If the minister will not tell me then I will read the telegram to him.

Sir SAM HUGHES: Read it.

Mr. CARVELL: I am going to ask the minister to look it up. Will he deny that he sent this telegram?

Sir SAM HUGHES: I have no recollection of anything about the company. I daresay it is a good company.

Mr. CARVELL: Look up the telegram of which I have spoken. Well, Mr. Speaker, there is a fourth member of this committee. He is connected with one of the big concerns in Canada. If there is a concern that should have received orders when this war commenced it is the Nova Scotia Steel Company. I find no fault with them for getting this business. They were among the biggest people in Canada and were in a position to do the business; and should do the business. All we want to know is whether they conduct the business at proper prices, whether Colonel Cantley, a member of the Shell Committee, conducted its affairs in such a manner that the country got the best results from its expenditure, and whether the Empire got the shells in the quickest time possible. I am not here to attack the manufacturers or to attack Col. Cantley. I never met the gentleman in my life and know nothing of him. But I am going to give the facts in this case. As I have said, Col. Cantley got for his Company $15,000,000 of business from this Shell Committee. I think that when I state that the House will come to the conclusion that we have the right to know whether this enormous amount of business was given at the proper figures or not. It will be a little tedious, but I am going to read the details of these transactions, so far as I have been able to collect them. I have not got them all. The first order I have noted is for discs for shrapnel at 20 cents. This disc is a little piece of steel, two inches in diameter, and three-eighths inches thick, with a hole in the centre. It is placed over the powder-can, and just under the leaden bullets, and the idea is that when the powder explodes this disc drives the bullets out of the top of the cartridge and causes them to spread over the earth like a fan. The price of these was got down to 12½ cents afterwards. This disc is simply a piece of forging. Will any man tell me that our existing industries cannot make this little disc three-eighths of an inch thick and with a hole in the middle.

An hon. MEMBER: Like a shovel.

Mr. CARVELL: Yes, something like a shovel. They have been made before, and made very much in the same way.

Mr. KYTE: They say we can't make shovels in Canada.

Mr. CARVELL: Not with holes in them. The following are the orders given to the Nova Scotia Steel Company by the old Shell Committee:

Nova Scotia Steel Company

1914—October, 50,000 dicsc for shrapnel at 20 cents each, $10,000.
1914—October, 50,000 shell forgings for 18-pr. shrapnel at $1.30 each, $65,000.
1914—October, 25,000 steel discs for 15-pr. shrapnel at 20 cents each, $5,000.
1914—October, 25,000 discs for 15-pr. shrapnel at 20 cents each, $5,000.
1914—October, 25,000 shell forgings for 15-pr. shrapnel at $1.30 each, $32,500.
1914—October, 25,000 shell forgings for 15-pr. shrapnel at $1.30 each, $32,500.
1914—November, 25,000 shell forgings for 15-pr. shrapnel at $1.30 each, $32,500.
1914—November, 21,740 shell forgings for 18-pr. shrapnel at $1.30 each, $27,300.
1914—November, 25,000 shell forgings for 15-pr. shrapnel at $1.30 each, $32,500.
1914—December, 100,000 shell forgings for 18-pr. shrapnel at $1.25 each, $125,000.
1914—December, 25,000 M. and A., 18-pr shrapnel at $3.80 each, $95,000.
1915—January, 100,000 discs for 18-pr. shrapnel at 12½ cents each, $12,500.
1915—February, 100,000 discs for 18-pr. shrapnel at 10 cents each, $10,000.
1915—February, 180,000 blanks for 4.5-pr. shrapnel at $3 each, $540,000.
1915—February, 180,000 shell forgings for 4.5-pr. shrapnel at $2 each, 360,000.
1915—February, 300,000 shell forgings for 18-pr. shrapnel at 80 cents each, $240,000.
1915—February, 300,000 shell blanks for 18-pr. shrapnel at 45 cents each, $135,000.
1915—March, 100,000 discs for 18-pr. shrapnel at 10 cents each, $10,000.
1915—March, 180 discs for 4" Howitzer at 15 cents each, 27,000.
1915—March, 200,000 discs. for 18-pr. shrap. at 15 cents each, $30,000.
1915—March, 25,000 *M. & A., 4·5-pr. Howitzer at $6.70 each, $157,000.
1915—April, 100,000 shell forgings for 18-pr. shrap. at $1.25 each, $125,000.
1915—May, 400,000 discs for 18-pr. shrap. at 10 cents each, $40,000.
1915—May, 100,000 shell forgings for 18-pr. shrap. at $1.25 each, $125,000.
1915—May, 300,000 base plates for 4·5 at 15 cts. each, $45,000.
1915—May, 200,000 base plates for 18-pr. at 15 cts. each, $30,000.
1915—May, 50,000 M. & A., 4·5 shells at $6 each, $300,000.
1915—May, 10,000 M. & A., 60-pr. H. Ex. at $6.96 each, $69,500.
1915—May, 400,000 shell forgings for 18-pr. shrap. at $1.25 each, $500,000.
1915—May, 300,000 shell forgings for 4·5-pr. at $2 each, $600,000.
1915—May, 50,000 shell forgings for 60-pr. H. ex. at $2.25 each, $112,500.
1915—May, 350,000 shell blanks for 4·5-pr. at $2.25 each, $787,500.
1915—May, 50,000 shell blanks for 60-pr. at $3.25 each, $162,500.
1915—June, 100,000 base plates for 60-pr. at 15 cts. each, $15,000.
1915—June, 3,044 shell forgings for 18-pr. shrap. at $1.25 each, $3,750.
1915—June, 200 base plates for 18-pr. shrap. at at 10 cts. each, $20.
1915—June 25,000 M. & A., 4·5-pr. at $6.50 each, 162,500.
1915—June, 20,000 shell forgings for 18-pr. shrap. at $1.25 each, $250,000.
1915—July, 25,000 (*M. & A.) 18-pr. shrap. at $3.15 each, $78,750.
1915—July, 20,000 2-round 4·5" boxes at $1, $20,000.
1915—Aug., 100,000 base plates for 18-pr. shrap. at 10 cts. each, $10,000.
1915—Sept., Weekly shipments of 10,000 shell blanks for 4·5" how. (cancellation effective Feb. 18, 1916, 5 mos.—20 weeks —200,000) at $2 each, $400,000.
1915—Sept., Weekly shipments of 10,000 shell forgings for 4·5" how. (cancellation effective Feb. 18, 1916, 5 mos.—20 weeks—200,000) at $1.75 each, $375,500.
1915—Sept., 160,000 shell forgings for 18-pr. shrap. at $1.25 each, $200,000.
1915—Sept., 100,000 base plates for 18-pr. h. ex. at 15 cts. each, $15,000.
1915—Sept., Weekly shipments of 5,000 shell forgings for 4·5" how. (cancellation effective Feb. 18, 1916, 5 mos.—20 weeks—100,000) at $1.60 each, $160,000.
1915—Sept., Weekly shipments of 5,000 shell blanks for 4·5" how. (cancellations effective Feb. 18, 1916, 5 mos.—20 weeks—100,000) at $2 each, $200,000.
1915—Oct., 400 shell forgings for 18-pr. shrap. at $1.15 each, $445.
1915—Oct., 6,000 shell forgings for 18-pr. shrap. F.O.B. Sherbrooke at $1.25 each, $7,500.
1915—Oct., 1,200 shell forgings for 18-pr. shrap. at $1.15 each, $1,380.
1915—Oct., 100,000 shell forgings for 18-pr. shrap. at $1.15 each, $115,000.
1915—Oct., 200,000 base plates for 18-pr. shrap. at 10 cts. each, $20,000.
1915—Oct., 20,000 (*M. & A.) 18-pr. shrap. at $2.90 each, $58,000.
1915—Oct., 100 shell blanks for 4·5" (for experiment) at $2 each, $200.
1915—Oct., 2,500 shell forgings for 18-pr. shrap. at $1.15 each, $2,875.
1915—Nov., 1,280,000 shell forgings for 18-pr. shrap. at $1 each, $1,280,000.
1915—Nov., 200,000 base plates for 18-pr. h. ex. at 10c. each, $20,000.
1915—Nov., 1,250,000 base plates for 18-pr. shrap. at 8c. each, $100,000.
1915—Nov., 25,000 (*M. & A.) 9·2-in. h. ex. shells at $27.88 each, $697,000.
1915—Jan., 25,000 (*M. & A.) 9·2-in, h. ex. shells at $27.88 each, $697,000.
1915—Jan., 100,000 shell forgings for 9·2-in. h. ex. (including steel billets) at $27 each $2,700,000.
1915—Jan., 150,000 shell forgings for 8-in. h. ex. (including steel billets) at $17.50 each, $2,625,000.
1915—Jan., 20,000 (*M. & A.) 18-pr. shrap. (F.A.S. St John or Montreal) at $1.85 each, $148,000.
1915—Feb., 100,000 forgings for 18-pr. shrap. (delivered) at 90 c. each, $90,000.
Total, $15,355,970.

* Machining and assembling.

I want to say, to the credit of this company, that they did not take their first order for machining and assembling the 18-pounder shells at the highest price; they took it at a much lower price. The others all took their first orders at $5.70, while the Nova Scotia Steel Company took their first order at $3.80. Within one month from to-day the Nova Scotia Steel Company took an order for the forging of 18-pound shrapnel at 90 cents, although they charged $1.25 or $1.30 for the same work when carrying on the business themselves. I have taken a good deal of time in reading this, but I wanted to get it on the record. Before I leave it I wish to point out some things which will bear the closest scrutiny, and I think will require some explanation on the part of the Minister of Militia if he intends explaining or condoning the acts of the Shell Committee. I have tried to make it clear that the Nova Scotia Steel Company were the people in Canada who had a right to be asked to carry on this business, because I think they were in a position to furnish the goods. But the Dominion Iron & Steel Company had as much right to be asked as the Nova Scotia Steel Company, and were in as good a position to carry on the work. I think they were in a better position. It does seem a most unfair thing that a company which had its manager on the Shell Committee could get $15,000,000 of business and a company a few miles away, with no representative on the committee, could get no business until the war had been in progress for one year. I find some remarkable inconsistencies on an analysis of this statement, and these are the things, among others, which I would like to see investigated. I find that on the 15th of May, 1915, the Nova Scotia Steel Company took an order for machining and assembling 50,000 4·5 high explosives at $6. I find by further investigation that down in the province of New Brunswick five contracts were given on the same day, May 15th, at $6 each. But, Sir, one month later, on June 11th, when the prices were supposed to be going down, and when they were going down to everybody in Canada excepting the committee themselves, this same company, the Nova Scotia Steel Company, took an order for 25,000 4·5 shells of exactly the same kind, but instead of $6 they got $6.50. Mr. Speaker, does that not require some kind of explanation from the Minister of Militia? Does that not require explanation from the Shell Committee? But that is not all. I find that on the 28th May, 1915, to be explicit, the Nova Scotia Steel Company got an order for 300,000 shell forging for 4.5 howitzers at $2 each, and on the same day they got an order for 350,000 shell blanks, 4.5, at $2.25 each; that is an average of $4.25 for the blanks and forgings. That was on 28th May, 1915. On 18th May, 1915, ten days previously, the Shell Committee had given a contract for 100,000 4.5 blanks and forgings combined to Drummond, McCall and Company of Montreal, at $2.95 each, or a reduction of $1.30 compared with the price of the Nova Scotia Steel Company ten days later. Drummond, McCall and Company got that order at $2.95 each, and they sub-let it to the William Todd Company of Youngstown, Ohio, at a big profit. I would like to know, Mr. Speaker, if that does not require investigation. The Nova Scotia Steel Company received, or they will receive $400,000 more than they would have received if they had taken the order at the price accepted by Drummond, McCall and Company ten days before. Do you tell me that the members of the Shell Committee can be held blameless when we know that a responsible firm like Drummond, McCall and Company took an order on 18th May for 100,000 shells, both blanks and forgings, at $2.95 each, and that ten days later the committee gave an order to one of their own members for 300,000 shells at an average price of $4.25 each. Does that not require investigation, is that helping to win the war? No wonder that my right hon. friend the Prime Minister did not want to talk very much this afternoon about helping to win the war; no wonder he did not want to go into the question of prices.

But I have a good deal more to say to my hon. friend the Minister of Militia about prices, and I must hurry. I find that the Shell Committee bought from all class and conditions of men, and I find that many of them were the proper people to buy from. I have tried to make it plain that so far as the Nova Scotia Steel Company were concerned, they were the proper people to buy from. The Steel Company of Canada were also proper people to buy from; any business, or firm, or corporation which could turn out the goods in the shortest time were people to whom the Committee had a right to apply, regardless of whether they were Liberal or Conservative, no matter who they might be, because this was a question in regard to which every day, perhaps every hour, might mean

the difference between success and defeat in the titanic struggle through which we are passing.

I find a most interesting account here regarding $320,000 worth of goods which were sold to the Shell Committee by a firm known as the Sheet Metal Products Company Limited, of Toronto. By investigating the financial records, I find that the president and treasurer of this company is the Hon. A. E. Kemp, and that the vice-president and secretary is William A. Kemp. The other directors are W. Scott Waldie, Frederick S. Corrigan and Wellington Francis. I find that the Shell Committee purchased from a member of this Gov ernment $300,000 worth of goods. I do not know whether the prices were fair and reasonable or not, but I do say, Sir, that unless they were the only people in Canada who could furnish these goods, we should have a committee to investigate the matter to ascertain whether this member of the Government, through his company, sold to the Shell Committee goods at prices which were fair and reasonable. I think I can appeal to the fairness and justice of many hon. gentlemen on the other side of the House, because I know that many of them are just as honourable gentlemen as we are on this side, and that they want to see this war won, and to see this country do its duty to the Empire just as well as we do. After I have given them these figures, surely there will be some of them patriotic enough to go to the Prime Minister and tell him that he cannot count on their votes in order to keep the lid on any further investigation.

Mr. MORPHY: Does the hon. gentleman mean that he does not cast suspicion on these gentlemen, and yet would have their transactions investigated?

Mr. CARVELL: My hon. friend is endowed with a fine analytical mind, but he does not know what is coming. After I have told him, probably he will not know a great pile about it.

Mr. MORPHY: Probably.

Mr. CARVELL: I had better go on and read the items, and leave him to worry over it over night, and if he comes back to-morrow or the next day, and wants further information, I will be glad to give it.

Mr. MORPHY: My hon. friend said there was no suspicion.

Mr. CARVELL: I am not making charges; I am giving facts. If my hon. friends sees anything suspicious in the transaction, it will be his duty and privilege to express his opinion upon it after I have read the item. Here is a list of the orders given to the Sheet Metal Products Company of Toronto, with the dates and prices:

1914—October, 50,000 tin cups for shrapnel at $23 per M, $1,150.
1914—December, 100,000 tin cups for shrapnel at $3.50 per C, $3,500.
1915—January, 200,000 clips for 18-pr. cartridge at 18 cents each, $36,000.
1915—January, 100,000 tin cups for 18-pr. shrapnel at $3.50 per C, $3,500.
1915—January, 100,000 clips for 18-pr. cartridge at 18 cents each, $18,000.
1915—February, 100,000 clips for 18-pr. cartridge at 18 cents each, $18,000.
1915—March, 200,000 tin cups for 18-pr shrapnel at $3.50 per C, $7,000.
1915—May, 400,000 clips for 18-pr. cartridge at 20 cents each, $80,000.
1915—May, 200,000 tin cups for 18-pr. shrapnel at $3.50 per C, $7,000.
1915—July, 50,000 steel sockets for 4.5-pr. Howitzers at 50 cents each, $25,000.
1915—August, 200,000 electric galvanized steel clips for 18-pr cartridge at 11 cents each, $22,000.
1915—October, 17,000 electric galvanized steel clips for 18-pr. cartridge at 12 cents each, $2,040.
1915—November, 1,000,000 tin cups for 18-pr. shrapnel at $2.50 per C, $25,000.
1915—15,000 brass clips for 18-pr. shrapnel at 12 cents each, $1,800.
1915—December, 50,000 steel sockets for 6pr. high explosives at $1.45 each, $72,500.
1916—February, 4,000 tin cups at 2½ cents each, $100.
Total, $322,590.

I do not know whether 3½ cents is a fair price for a tin cup or not. I will describe a tin cup and I will ask the members of this House to form their own opinion as to whether the price is reasonable or fair. That tin cup is not so complicated an affair as an 18-pr. shrapnel shell. The tin cup goes in at the base of the shrapnel shell and it is simply a little cup to hold the powder which forms the bursting charge. Shrapnel is supposed to burst in the air and there is a little cup at the bottom that contains the powder which is supposed to ignite and burst the shell at a certain time and after the shell has gone a certain distance. The shell bursts in the air and scatters the bullets over the earth. The cup is about 2 inches in diameter and ¾ to ⅞ of an inch deep. There is no handle on it and no close soldering is required. It is made by simply taking a piece of tin and subjecting it to one stamp of a die. That makes it at the bottom. The top part of the cup is very nearly the same. It is a little bigger at the top

than at the bottom, just big enough to let the one go down over the other, and the upper part is made with one stamp of the die just the same as the bottom part. I do not know whether there is any actual soldering together or not—I think not. It may be sweated on in some way. But it performs no function whatever except to make a little receptacle to hold a handful of powder that bursts the cartridge in the air. If the tin cup were not used I imagine you would get exactly the same result. However, that is what it is, and I leave it to any hardware dealer or general storekeeper in this House to say whether 3 or 3½ cents for a tin cup of that character is a reasonable price or not. I would like to have a contract for a few million of them if I had the machinery to do the work. I think I could manage to make a fairly good summer's work out of it. There were 1,500,000 of tin cups purchased. There is no handle on this tin cup; it is the simplest thing you could imagine.

If there is only one person in Canada who can make tin cups, give him the contract even if it is the Premier himself. But these were not the only people in Canada who could make tin cups because they did not make them all; millions of tin cups have been delivered while this concern only turned out 1,500,000. They are certainly not the only people who can make tin cups if they could not deliver more than one-third or one-quarter of the tin cups that have been delivered to the Shell Committee. Therefore, they do not come within the category of the only people in Canada who can make tin cups in a hurry.

I find that they get an order for 1,000,000 clips for 18-pounders. Let me describe what a clip is. When the breech block is thrown open on the 18-pounder it is supposed automatically to eject the empty case just as in the case of the ordinary rifle. When you throw the breach block open the empty case is ejected. But if the case is not automatically ejected they provide each gun with what is called a clip. This consists simply of two pieces of metal ¾ inches wide, 14 or 16 gauge thickness, and a little more than 3 inches in length. These two pieces of metal are crossed over one on the other at right angles, the ends are bent in to catch the rim of the cartridge and then if the cartridge does not come out with the opening of the breechblock, they catch the end of it with the clip and pull it out. These clips are made sometimes of brass and sometimes of steel and they are fastened together in the centre. I do not know whether 20 cents is a reasonable price for these little clips or not. I would like to make a lot of them at that price if I had the plant, and there must be lots of plants in Canada that can make them. They do not require any special machining. But this member of the Government—

Mr. REID: Of the Government?

Mr. CARVELL: —or I might say the president of the company who is a member of the Government, or the company, whose president is a member of the Government—perhaps that is the more correct way of putting it—got a contract for these goods. I would like to see this investigated. I know there is no hon. gentleman within this House but would like to see it investigated as well. I make no charges as to whether it is right or wrong, I only want to have the white light thrown upon this transaction, and if it is all right, why, it is all right because I am finding no fault. I am only saying that I think the Shell Committee who were appointed by this Government, for this Government, and acting under the instructions of this Government, surely ought to exhaust every means of purchasing supplies before resorting to the members of the Government themselves.

Mr. LEMIEUX: Were there tenders?

Mr. CARVELL: No, you never heard of any such thing as a tender from the beginning, when they were organized, till the time when they were buried. They did not know the meaning of that term.

Mr. GRAHAM: Cremated.

Mr. CARVELL: My hon. friend says "cremated." No, they were just buried. They just gave them a Christian burial. My hon. friend asks why they were buried. I will come to that later on. Mr. Lloyd George had something to do with the killing of them and Mr. Thomas attended the obsequies. The flowers were furnished and everything was done with proper decorum.

Mr. BURNHAM: They are getting the flowers now.

Mr. CARVELL: No, they had the flowers at that time. These are not boquets at all; these are just the plain facts from a country lawyer who is trying to lay before the House a statement of what did occur and who wants the House to take cognizance of it. I have a lot of information here, but I

have talked too long. I must, however, have a few words with my hon. friend the Minister of Militia before I sit down as to the question of prices and I therefore think that I will have to leave some of this material. I have pointed out that the members of this Shell Committee were taking contracts at $5.70 each for machining an enormous quantity of 18-pounder high explosives; they were taking contracts to themselves at $5.15 for machining enormous quantities of 18-pounder shrapnel shells and they were taking contracts to themselves at $6.70 for machining enormous quantities of 4·5-inch Howitzer shells. I do not have to argue with any hon. gentlemen on the other side of the House to get them to understand that when they were giving contracts to themselves at these big prices they had to give contracts to the other 300 men who were doing business with the committee. That is the trouble. Of course, I do not mean to say that there were actually 300 men making shells. There were not more than 100 other people making shells altogether. But they were taking to themselves these enormous orders at big prices and they were compelled to give the same big prices to the other people. I have given the information to the House, and I can almost give it the weight of evidence, that when Mr. Jones, of the Canada Cement Company, wanted to cut down the prices of these goods they would not allow him to do it on the plea that he could not do the work for the price that he said he could do it for. It must be in the mind of every hon. gentleman opposite that the real reason was that if they gave contracts to Mr. Jones at a lower price they would be compelled to take these contracts themselves at no higher prices.

I have another bit of information which I can prove if the Government will give me a committee. In the month of August, or September—I do not know which but I think it was in September—a gentleman whose name I can furnish at the proper time, went to Mr. Thomas, the representative of Mr. Lloyd George in the city of Ottawa and told him that he was going to submit a tender for machining shells—I am not sure whether it was 18-pounder high explosive or shrapnel—at $1.40 apiece. A few days after that he saw in the office of the Shell Committee, a tender to do this work at $1.40. Mr. Thomas was called away to Montreal and was gone for three or four days. He supposed that, as a matter of course, the contract would be given, but when he came back, to his horror and amazement, he found that this Shell Committee, instead of giving a contract at $1.40 had given large contracts, not one, but more than one, at $2.90 each. They gave these big orders to these people because they wanted to keep the price up. At all events they did keep the price up, and I think the fair inference is that they wanted to keep the price up, or they would have given the contract to this other man, who offered to do it for $1.40, and who was an absolutely responsible party. I think I appreciate some of the rights and duties of a member of Parliament. You may call me a Radical or anything else you like, but I ask you, Mr. Speaker, and hon. gentlemen opposite, if I have ever made a statement in this House that I was unable to back up and prove to the hilt. I make that statement here to-night, and if they will give us a committee I will prove it. The man who laughs at that has a pretty low appreciation of the rights and duties of a member of Parliament. He is so far down in the scale of honour and decency that he is not fit to have a seat in this House; he is not fit to represent anything. I am surprised that there is a man in this House who is so far fallen in the scale of decency and honesty, and all that goes to make up the manhood of a nation that in the face of a statement such as I have made we hear nothing but the ha, ha of the empty brain and the dishonest mind.

I have a word with my hon. friend the Minister of Militia about prices. I want to take him back to his famous speech of January 26, 1916, in this House. Early in my remarks I explained how the contract for the first 200,000 shells was made. The minister says that the price arrived at was $8.55. I am not positive whether that was for the shrapnel or high explosive.

Sir SAM HUGHES: It was all shrapnel.

Mr. CARVELL: It was 18-pounder shrapnel. My hon. friend said in his speech on January 26:

> The price of $8.55 was arrived at by the experts of the Militia Department, who made their calculations with the assistance of machinists and large steel manufacturers throughout the country.

The Prime Minister was compelled to admit this afternoon that the price for the Canadian shrapnel was somewhat higher in Canada than in England. Now I want to show my hon. friend the Minister of Militia what information he had in his department about the price of empty shrapnel shells. And

in order that there may be no misunderstanding about what an empty shell is I will describe it, and if I am wrong the minister can set me right. As I understand it, an empty shrapnel shell consists of a blank piece of steel; and at the beginning the Nova, Scotia Steel Company got an order for 300,000 of these blanks at 45 cents each. I do not think this price was paid for the blanks later on, but it was in the beginning. Then there is a forging; the forging of that shell cost $1.25 each. I think it is really $1.30, but the price came down after the first order. Then there is the machining and assembling at $5.55, which I have already explained. Then there is a brass socket. I have not one here, but I can illustrate it with this tumbler. The shell is rimmed out perhaps 2¼ inches in diameter, and there is a piece of metal which is threaded on the outside and turns into the top of the shell. This is also threaded on the inside, in which we find the fuse when the shell is loaded and ready for action. I do not know whether the price paid for these brass sockets was a fair price or not, but I do know from a rather lengthy and somewhat inquisitive investigation that the price which the committee paid for brass sockets was 40 cents. A brass socket, to start with, is a piece of brass about 2½ inches in diameter and about 1½ inches deep; this is turned and threaded on the outside, bored out, and then threaded on the inside. Whether that is worth 40 cents I do not know. I should like to have a chance of investigating it, but it seems to me that a man would not have to make more than three or four million of them at that price in order to make enough money to keep him going for the summer. Next comes the plug. At the beginning of the war this was made of brass. It is a piece of metal which fits on the inside of the brass socket before the shell has been fused. When you insert the fuse, the plug is taken out and thrown away. The price of the plug was 25 cents. Later on they got the price down to 10 cents by using galvanized iron instead of brass, and I think in some cases they are now using wood. At any rate, at the present time galvanized iron is being used in large quantities at 10 cents, and I have heard that the Munitions Board has cut the price down lower than that. But that is only hearsay, and I am only making statements to-night that I can prove up to the hilt if I am given an opportunity of doing so, and I am making them on my responsibility as a member of this House.

[Mr. Carvell.]

Mr. BURNHAM: Has the Imperial Government consented to an investigation?

Mr. CARVELL: What has the Imperial Government to do with the price of a plug?

Mr. BURNHAM: I thought the hon. gentleman was talking about an investigation by a committee.

Mr. CARVELL: I am talking about plugs. Next, there is a little tube about 8 or 9 inches long and ⅜ or perhaps ¼ of an inch in diameter. This extends from the bottom of the brass socket down to the tin cup in the bottom. It passes through the steel disc that I have described, and which goes below the bullets. Below that again is the tin cup. The price of the brass tube is 20 cents, 10 cents for the steel disc, 3 cents for the cup, and about 2 cents for screws, washers and things of that kind. Outside of that goes a copper band, which engages the rifling of the gun and controls the direction and the speed. Altogether that makes $8.05. If there is anything else in an empty shell which I have omitted to mention, I should be glad if the hon. minister would let me know.

Sir SAM HUGHES: The resin and the bullets.

Mr. CARVELL: The resin is not in an empty shell.

Sir SAM HUGHES: Oh, yes.

Mr. CARVELL: My reading is that the resin and bullets are not in an empty shell, but I shall be delighted to add that to the cost. The resin and the bullets cost thirty cents. Am I not about right?

Sir SAM HUGHES: I have never figured out the cost. You are making the speech; I am not.

Mr. CARVELL: I have figured that they cost thirty cents. Can my hon. friend tell me of anything else that goes into the empty shell?

Sir SAM HUGHES: I was not paying very close attention to my hon. friend's remarks, but I noticed that he had not put in the shrapnel nor the resin.

Mr. CARVELL: That makes $8.35. I have now got pretty nearly up to my hon. friend's figures, because he says that the empty shell costs $8.55. Therefore I must have pretty nearly the correct prices.

Sir SAM HUGHES: No one is contradicting my hon. friend.

Mr. CARVELL: I want to call my hon. friend's attention to the fact that he purchased empty 18-pr. shrapnel shells in England by public tender, not more than six months before the war broke out. These documents which I hold in my hand were produced before the Public Accounts Committee, and that is how I got them. My hon. friend, in the month of February, 1914, asked the War Office to furnish him with 2,500 18-pr. quick firing shrapnel shells. The War Office called for tenders, and the lowest tenderer was Armstrong, Whitworth & Co., of Newcastle. I hold in my hand two bills for those 2,500 shells. As a matter of fact, the shells were not to be delivered until January, 1915, and they were never sent to Canada at all, but were kept on the other side. However, as they were purchased by the Canadian Government, the bills were sent to and paid for by Canada. The first bill was for 1,677 shells, and the second for 823 shells, making a total of 2,500, and the total amount which the Canadian Government paid for them was $7,908.33. if my hon. friend will figure it out, he will find that he bought those shrapnel shells in England just before the war broke out for $3.15 each, and yet he says that he consulted the experts of his department, and that they found that it would cost $8.55 to make an empty shrapnel shell. If my hon. friend does not think my statement is correct, I will send these documents over to him; they are taken from his own department. Those shells were bought by competition from the firm of Armstrong, Whitworth & Co., and were not manufactured at the arsenal, and yet with that fact staring him in the face, my hon. friend tells this House and this country that $8.55 was the lowest price for which those shells could be made in Canada. He goes further than that and insults the intelligence of this House; he deceives the people of Canada by telling them that the price for which he bought those shells in Canada was less than the price which he paid for them in England. It is no wonder that the Prime Minister had to admit this afternoon and evening that a shrapnel shell cost a little more in Canada than in Great Britain. I would say that they did cost a trifle more, merely the difference between $8.55 and $3.15.

The hon. minister in his ordinary bombastic manner—bombast is a good thing sometimes, it brings the minister out of many a hole—used these words, as reported on page 297 of Hansard:

> I will show before I have finished that they delivered the goods at a lower price than any other country, not even excepting Great Britain.

Then, on pages 300 and 301, he used these words:

> I am going to make another statement showing that stage by stage the prices in Canada were lower, with one or two exceptions—one of these is called No. 100 fuse—than either the British or the United States Government arsenal prices, or even the United States or British commercial prices, and that despite the fact that Canada got no bonus, and that in both Britain and the United States cash advances were made to enable the dealers to put in the machinery. I am in a position to prove that. The Canadian Shell Committee has formed a model for Great Britain; it has formed a model for the United States and Australia. It led the way in prompt deliveries, in the quantities turned out, in the quality, in low prices, and in driving force. Canada has led the way in the British Empire.

If that statement were true, we should all take off our hats to General Hughes, and I do not think there would be any trouble if General Hughes should take charge of this war and of this country; but when we analyse this statement it is a horrible one. It is a most remarkable thing that the Prime Minister could not give us the prices in Lloyd George's letter of December 8, when the Minister of Militia could give us those prices or what he said were the prices a few days ago.

Sir SAM HUGHES: I did not obtain my prices from Lloyd George; I obtained them elsewhere.

Mr. CARVELL: There is a close similarity in the date. I will read what my hon. friend says:

> In regard to prices on December 8—

The same day.

> —a cablegram came from England giving the recent prices there.

Most remarkable that the Prime Minister got a cablegram about those prices and that the minister got another cablegram about them on the same day. I wonder how many more hon. members got cablegrams about those prices on the 8th of December. Perhaps the minister will try to revive his memory and see if he did not get this information from the same source as the Prime Minister got it from. It looks awfully suspicious.

Sir SAM HUGHES: Honi soit qui mal y pense.

Mr. CARVELL (reading):

The price for 4·5, mark VI, (250,000) made in England 42s. 6d., that is, $10.33. In Canada the first orders were for very small quantities, and we had to pay $10.45.

The minister made the statement and it went forth to this country that at the start of the war, on orders for small quantities of 4·5 shells we paid $10.45 as against $10.33 in England. I will show what we paid in the beginning and I want to see if we have everything that goes into a 4·5 empty high explosive shell. I have read to my hon. friend that he paid the Nova Scotia Steel Company $3 for the blanks.

Sir SAM HUGHES: I did not pay $3.

Mr. CARVELL: Well, the Shell Committee.

Sir SAM HUGHES: Yes.

Mr. CARVELL: My hon. friend is a friend of the Shell Committee.

Mr. GRAHAM: It is his baby.

Mr. CARVELL: It is his baby and he takes the responsibility for it.

Sir SAM HUGHES: It is a fine baby.

Mr. CARVELL: It is a God-send it is buried, and that is all I have to say about it.

On the same day the Shell Committee paid $2 for the forgings. To be sure that there is no question about the matter, I had better tell my hon. friend the exact date. On the 17th of February, they purchased 180,000 blanks for 4·5 high explosive shells at $3 each, and on the same day, they purchased 180,000 4·5 shell forgings at $2 each. Then they paid $6.70 for the machining of those, because all the first orders were at that price, and in the summer, after the prices had dropped to $6, the Nova Scotia Steel Company got a contract for machining 25,000 at $6.50 At the time of which I am speaking, the highest price was $6.70. The brass socket went into the ends, and the price of that socket was 70 cents—they bought them by the million at that figure. Then there is a plug, 10 cents. In the beginning they used the brass plug, but I am talking about the iron plugs. There was the bass plate that went into the 4.5-inch shell and the copper band around it at 70 cents. So, instead of having the first quantity cost $10.45, this commission paid $13.37 for the first three or four hundred thousand of these 4.5 shells. I have given everything in that shell except two or three small screws that would cost two or three cents apiece. But the bare blank of the 4.5 inch shell cost this country $13.37. Yet the minister stakes his reputation as a minister of the Crown that the first order given for these was at $10.45. Then he tells us that the price on December 8 was $7.45. Now, I have taken the very lowest prices I can find. I cannot find anything exactly on December 8, but there are some parts ordered just before and some just after. I find that on December 30 they gave a contract for 4.5-inch blanks at $1.70 to the Electric Steel and Metal Company, and on September 30 they gave a contract to the Nova Scotia Steeel Company for forgings at $1.60. And the machining at that time was $4, which is the lowest price these shells have been machined for, unless the present commission have reduced the price. Then there was the steel socket 70 cents, the plug 10 cents, and the copper band 70 cents. So, on December 8 that empty shell, instead of being produced in Canada at $7.45, cost $8.95—only $1.50 more than the minister said. These figures are accurate. All the minister has to do is to give us a committee and we will prove them, and I will stand by every figure I give you to-night. Now, let me go a little further.

An hon. MEMBER: Oh, oh.

Mr. CARVELL: I have only started. The minister says:

The price for 4·5 forgings was 18s. 6d. in England, that is $4.50, while our former price, the highest price ever paid, was $4.25.

I have told the minister that on the 16th February, 1915, they bought 180,000 of these, not at $4.25, as he says, but at $5. The minister proceeds:

The second price was $3.60 on small lots.

This $3.60 is the latest I have noted, and that is the lowest price quoted by the Nova Scotia Steel Company. The price of the blanks was $2, and the forgings $1.60. That is where the minister got his figures. That was on September 30, 1915. And he says:

—but our price on that date was $2.95.

I do not know what date the minister referred to, but he gave the price at $2.95.

The only contract he can find given in Canada for the 4.5-inch howitzer shell at $2.95 was the contract for 100,000 given to the Drummond, McCall Company and sublet to a firm in the United States. These are exactly the figures the Drummond, McCall Co. got. Ten days after that the same committee gave contracts to one of their members, not at $2.95, but at $4.25. The minister says:

11 p.m.

For 18-pound high explosive shells, machining, the English price is 15s. 8d., equal to $3.81; in Canada, the price is down as low as $1.85 now.

The minister did not go very far in that, and I am not in a position to follow him very much. I can only say that the first price paid in Canada for machining 18-pounder shells was $5.70. I want to show what these 18-pounder high-explosive cost. The minister would try to make us believe that they cost $1.75. At the beginning the blank cost $1, machining and assembling $5.70, plug, 25 cents; copper band, 20 cents; brass plate, 15 cents; steel gaine block, 20 cents; screws, washers, etc., 2 cents. Now, is there anything in that shell that I have not named? There is no brass socket or steel socket, in it, for, as the minister knows, the fuse goes into the body of the shell itself. I have given everything, unless the minister wants to include the steel gaine which is screwed into the fuse, but I understand that that comes with the fuse. It is not part of the fuse, nor is it part of the shell. That makes $7.55 for the shell under the most favourable circumstances.

Then he goes into the 6-inch shells. We have done so little in these—I do not believe that there has been one delivered made in Canada; there may have been a few, but very few. They started in so late that it was nearly a year after the war began before they got them at all. It is not possible to make a comparison. Then the minister comes down to the prices in the United States. He says:

Under the old costs for materials and work the Canadian price of the 4·5 shell was $9.80.

I have answered that already, because I have given details of the 4·5 shells, and instead of $9.80, the price paid was $13.37. Where in the world the minister got his figures is something I cannot tell. I have given him every item, even to the screws that go into the shells, and it makes $13.37, yet he quotes the price as $9.80. And he says: "The present price is $7.35." I think he is a little nearer the truth—I mean he is a little nearer the facts—in that than in any statement he has made with regard to prices. Well, he told the committee about the American prices and compared them to show how the manufacturers in the United States wanted such an awful price from him for the cartridges. I do not know exactly what was included in that offer of the Crucible Steel Company. The minister told us that in September he tried to get a quotation from this firm, and I want to read their offer:

We are prepared to make the following proposition: three weeks after the receipt of order for 200,000 shrapnel shells complete, without explosives, and absolutely in accordance with blueprint already submitted. We can ship 1,000 per day for three weeks; after six weeks we can ship 2,000 per day until the order is completed. Price, $12 each.

I would like to see all the documents in connection with these transactions. I will venture the assertion that that $12 included something more than that blank shell without any explosive in it or anything else. I do not know if the minister will tell us, but if it does not include that, then I shall tell him that in the month of February last—and this I can prove if I get a committee—some of the largest producers of material of this kind in Worcester, Massachusetts, a great manufacturing centre, offered to furnish plenty of these shrapnel for less than $4, entirely complete as far as the shapnel shell is concerned. I am not giving names, but I will produce them before the committee and we will produce a great deal more information from the United States. We do not accept the prices the minister has given us as to the shrapnel in the United States. It is so easy in talking about these things to confound them.

Sir SAM HUGHES: Hear, hear.

Mr. CARVELL: Yes, I know how easy it is. There are four or five articles that may be meant in talking about a shrapnel cartridge. In the first place, you have the shell or the case itself, the steel case; then you have the primer, and then you have the driving charge, that is cordite; and then you have the shrapnel itself. You may talk about a shrapnel shell empty or filled. Then you have the fuse on top of that. You may talk about the cost of this shell complete or you may talk about the cartridge complete, and I am almost sure

that when that firm were talking about an order at $12 they meant the cartridge. Possibly I am wrong. But if I cannot prove what the price of the cartridge complete was in the United States, I can prove what it was in England, and I will prove it by the minister's own documents too. I have not time to refer to many of the accounts on the file before me, but I am going to refer to some of them because the minister has been buying these for some years from Vickers Sons and Maxim, or Vickers Ltd.

Sir SAM HUGHES: It is the same firm, I think.

Mr. CARVELL: I think it is the same firm. I can give a dozen illustrations. I am reading now from original documents, the original bills and accounts furnished to this Government by this firm for complete rounds of 18-pound shrapnel ammunition, excluding fuses and fuse covers. That is a complete round, as I have described it. There are a few extras for sand blasting boxes and lacquering cartridge clips, but I include them all. The price for 7,000 of these was £1,177. 5 shillings. If you figure that out it comes to practically $7.70 apiece.

Mr. REID: What date was that?

Mr. CARVELL: That was back in 1910-11.

Mr. REID: That was long before the war.

Mr. CARVELL: Of course it was, but it is the same article exactly.

Mr. REID: But the prices are higher now than they were then.

Mr. CARVELL: The prices were not higher when the war broke out than they were then. That contract ran right on until last year, and they furnished them at the same price. I have here accounts for them at $7.70 and $7.75, the complete cartridge without the fuse. You take the fuse. They tell you about what an awful thing it is to make a fuse. I come now to what the minister called time fuses, that is time and percussion fuses, and the minister will understand that the British fuse was then call the 85. The 80 is very much the same.

Sir SAM HUGHES: The British fuse is the 85, time and percussion. The 80 is an American fuse which they now accept. There is a little variation, but practically it is the same thing.

[Mr. Carvell.]

Mr. CARVELL: We will get it accurately. This bill is dated 27th February, 1911, and reads:

Fuses, T. & P., No. 80, mark III, 12,000 at 9s. 5d.

Figuring that out it comes to about $2.28 for a T. and P. fuse.

Sir SAM HUGHES: If the hon. member reads my speech he will see that I said that that fuse is made for $1.90.

Mr. CARVELL: I have not found that in his speech yet.

Sir SAM HUGHES: It is right in the speech.

Mr. CARVELL: Then, it is a most wonderful thing that Col. Allison is allowed to go to the United States and make a contract for 5,000,000 at $4.50. No, what the minister said in his speech was that the raw material for the fuse cost $1.90 or $1.95. I am not talking about raw material but about the finished article, and the minister knows that. The minister bought the finished article for $2.28, not a few but thousands of them.

Sir SAM HUGHES: I will tell the hon. member now that the net cost of that fuse was $1.90 before the war.

Mr. CARVELL: The minister told us it was the raw materials.

Sir SAM HUGHES: Not the raw materials.

Mr. CARVELL: The materials of this that cost $1.90. The minister is just like a flea; you think you have him and you have not; you never know where to get him, and you cannot hold him down anyway. I could go on dealing with these prices, but I think I have said enough But I must tell him about his 4·5 shells. He tells us how much more cheaply they were made in Canada than in England and the United States. He bought 4·5 shells—

Sir SAM HUGHES: I bought 4·7 shells.

Mr. CARVELL: The minister did not buy them very long before the war. They were delivered on 27th January, 1914; "shells, Q.F., empty, common, 4·5 howitzers, Mark I, 100." And, Mr. Speaker, what do you suppose they paid for them—10s. 11d., or $2.62. This minister bought 4·5 howitzer shells in England just before the war broke

out for $2.62, not on one occasion only, but on two occasions. I have it here in his own documents. They were a small quantity, only 100 of them, and yet he comes here and tells you that when he or his committee were paying $13.37 for the same article he was buying them cheaper in Canada than they could be bought in Great Britain. I have gone into these things somewhat in detail. I have shown that every statement which the minister made regarding shells and fuses, and everything else, excepting possibly the 18-pounder high explosives, was false in fact; I do not say malicious, but wrong anyway in fact, with no foundation of truth; nothing in the world to give the people of Canada any information or education, but everything in the world to deceive the people of Canada.

Mr. SPEAKER: I think the hon. gentleman is going too far.

Sir SAM HUGHES: It does not make any difference; it is all right.

Mr. SPEAKER: It is my duty to call the hon. member to order, and I ask him to withdraw that statement.

Mr. CARVELL: I will be delighted to do so; I want to keep my remarks within the rules of the House. But I think I am justified in saying that the result of the minister's statements was that the people of Canada were deceived as to the true state of affairs, and that they were led to believe that the 4·5 shells in England cost $13.37, and that he bought them himself for $2.62. And yet the hon. gentleman had not fallen down and given up the ghost. It seems to me, Mr. Speaker, that the narrative in the Acts of the Apostles about Annanias and Sapphira must belong to ancient mythology and not to inspired Holy Writ.

The minister went on and told you about other wonderful things that this Shell Committee had done for Canada. He said:

> Since the beginning of the business the Canadian Shell Committee has turned out in Canada 22,000,000 shells.

I want to say that they have not turned out 8,000,000 shells; they have given contracts for 22,000,000, but they have not turned out half of that quantity, not more, I venture to say, than 8,000,000. The minister can figure it out, and he will find that I am away above the mark when I put it at 8,000,000.

Mr. REID: Where does my hon. friend get his authority for these statements?

Mr. CARVELL: I am just like the Minister of Marine and Fisheries; I get some down in New Brunswick, and some in other places, and some from private individuals. You will remember that when I wanted to know where the minister had got certain information he said he had got it from private individuals. That is where I got mine, and I stand by it, and will prove every word of it if you will give me a committee. The minister spoke of:

> 800,000,000 pounds of steel made by Canadian workmen in Canadian shops and turned into shells by Canadian workmen, brass, zinc and copper, 45,000,000 pounds; copper, over 22,000,000 pounds.

The Prime Minister himself went almost as far to-day as to make the same statement, that 22,000,000 pounds of copper had been used by this Shell Committee. I want to tell you, Mr. Speaker, and the hon. minister that there has not been a pound of copper bought in Canada as the result of this Shell Committee's activities. There is no copper refined in Canada. The best they can do is to get it down to what they call blister copper, which must be refined down to about 95 per cent pure. It is then sent to the United States and refined, and brought back, and we pay duty upon it. If we can establish a refinery in Canada and I understand that a company is to be established well and good; I sincerely hope we will. But I do object to the Minister of Militia and Defence telling this House and the people of Canada that as the result of the activities of this Shell Committee, they turned out 22,000,000 pounds of copper which had been used in the manufacture of munitions.

Sir SAM HUGHES: The minister never made any such statement.

Mr. CARVELL: I have read it, and I will read it again.

> Since the beginning of the business, the Canadian Shell Committee has turned out in Canada 22,000,000 shells; 800,000,000 pounds of steel made by Canadian workmen in Canadian shops and turned into shells by Canadian workmen, brass, zinc and copper, 45,000,000 pounds; copper, over 22,000,000 pounds; lead, 102,000,000 pounds; black powder for shrapnel, 4,000,000 pounds; cordite, 10,000,000 pounds; nitrocellribose powder, 4,000,000 pounds; tri-nitrotoluene, the famous high explosive, 11,000,000 pounds, put into shells in Canada, besides several millions of pounds exported to the British Government.

Who did all this, if the Shell Committee did not do it? Do I understand the English

language; am I not interpreting it properly when I say that the minister said that? Probably he did not mean to say it.

Sir SAM HUGHES: The hon. member said I had made the statement that we had produced and refined in Canada that amount of copper.

Mr. CARVELL: I did not say that; I said that the hon. minister made the statement that the Shell Committee had produced 22,000,000 pounds of copper—

Sir SAM HUGHES: They put it into the shells.

Mr. CARVELL: If they did, they bought it in the United States. But I might give the minister a little more information. They talk of what they have done for Canada, about the enormous amount of business they have brought to Canada. They have given some business, and we are all glad of it, but it may surprise my hon. friend when I tell him that the Shell Committee bought $37,000,000 worth of goods in the United States, consisting of fuses and bands. Take a copper band; it is simply a piece of copper, made like a long tube. For high explosive 18-pounder shells it is about 3 inches in diameter, and they simply saw a piece off that tube about ⅞ of an inch long, and that is put over the shell. It is subjected to heavy hydraulic pressure, and is forced into a place which has been turned in the body of the shell to receive it. That is all there is to it; a piece of copper originally about ½ of an inch thick and about 3 inches in diameter. I do not know what these bands would weigh in the case of an 18-pounder shell, not more, perhaps, than 3 or 4 ounces. It might possibly weigh half a pound; I am not sure, but that is all there is to it. Could these not have been made in Canada? They gave an order to the American Brass Company for 1,270,000 bands; to the American Machinery Company for 1,402,000; to the Baltimore Development Company for 290,000; to the Davidson-Lewis Company for 24,000; to the Eagle Smelting Company for 132,000; to the Phillips Manufacturing Company for 43,000; to the Rome Manufacturing Company for 1,401,000. Could these not have been made in Canada? Where in the world were this great Shell Committee; what in the world were they doing? I will tell you, Mr. Speaker; they were busy getting contracts for themselves. working out these contracts, and making enormous profits.

They were not looking after the business of Canada; they were not looking after the manufacturing interests of Canada; they were not looking after the taxpayers of Canada. No wonder the Minister of Militia seemed sober when I read these figures to him.

As to fuses, if there is anything for which this committee should be condemned, and for which I believe this committee was condemned by the British Government, it was their laxity, their almost criminal negligence, in looking after nothing excepting the machining, assembling and forging of shrapnel and high explosive shells. Without a fuse you might as well have a lump of steel. You have to have something to explode the nitro-glycerin or gun cotton inside the shell, and the only way is to provide your shell with a time or a percussion fuse. The time fuse may be used either as a time or percussion fuse. The shell contains in the centre two pellets, about the size of a hazel nut, one pointing forward and the other backward. These pellets are suspended in the centre of the fuse by springs, and the moment the projectile leaves the gun the force forward causes the pellet to strike back the same as a man falls back when a street car starts. This detonator ignites the cap, the fire is carried by means of the fuse to the powder at the base of the shell and explodes the cartridge at the proper distance in the air —it may be one, two or five miles away— and scatters the bullets over the earth. On the other hand, should the shell not explode but strike the earth, then the other pellet, which is also suspended by springs, immediately rebounds forward and the detonator ignites another cap which immediately causes the explosion of the nitroglycerin, or gun cotton, or whatever else may be in the centre of the shell. I repeat that without that fuse your shell is only a lump of metal. Yet, the committee allowed one year to go by in order that Col. Allison should have time enough to look up and organize his sub-contracting companies, in order to make whatever profit they could out of these things while the nation was crying out for fuses. The British Government was finding fault with the committee, and every man knows that there was a terrible neglect of duty on the question of fuses. The Minister of Militia said this afternoon that fuses had not been made in Canada. Fuses have been made in Canada, fuses are now being made in Canada, fuses are being made in Toronto at the rate of from 3,000 to 5,000 a day.

Sir SAM HUGHES: My statement was made to-day in answer to the leader of the

Opposition, who stated that the Munition Board had let contracts, and that fuses were being made to-day in Canada under those contracts. I again repeat that not one fuse has been made under a Munitions Board contract.

Mr. GRAHAM: Made under a Shell Committee contract.

Sir SAM HUGHES: Not one was made under a Shell Committee contract. I made the statement this afternoon that an order was given in June for 500,000 to the firm of Russell & Co., of Toronto, but that not one of these fuses had ever been made in Canada.

Mr. CARVELL: I am surprised at the Minister of Militia because he is usually a good fighter. If there was anything that I gave the minister credit for it was that he always came out in the open and never got behind a quibble of that sort. He has some colleagues who might be expected to do that but never the Minister of Militia. The minister made the statement that no fuses had ever been manufactured in Canada.

Sir SAM HUGHES: I made the statement in answer to the leader of the Opposition, that not a single fuse had ever been made under the Munitions Board in Canada. I make the statement now that not a single fuse has ever been made in Canada.

Mr. CARVELL: If I am in order, Mr. Speaker, I would say that this is the most contemptible quibble that I have ever listened to in the House of Commons. Nobody is finding any fault with the Imperial Munitions Board. We are not asking for any investigation of their affairs. We are simply asking for an investigation of the affairs of the Shell Committee. I could not tell you whether my leader used precise words indicating that fuses had been manufactured under a contract made by the Munitions Board but there is not a man who would expect the minister to try to crawl out of a hole in that way. I thought the minister was more of a sport than that. I did not believe the minister would get down to that kind of warfare and would try to get out of the hole by saying that he draws a distinction between a contract given by the Shell Committee and a contract given by the Munitions Board.

Sir SAM HUGHES: I gave the date.

Mr. CARVELL: My hon. friend is welcome to all the credit he can get out of it. I see that it is getting along towards twelve o'clock, I have finished one phase of this case, but I have a few remarks to make on another branch. I would like to adjourn the debate.

Sir SAM HUGHES: I want to follow the hon. gentleman to-night.

Mr. CARVELL: We will have to continue sitting into Ash Wednesday if you do. I do not think the minister is serious in that. I would like to move the adjournment of the debate if the right hon. leader of the House would consent.

Sir ROBERT BORDEN: I understand it will be difficult for the minister to speak at any other time, and he desires to follow my hon. friend (Mr. Carvell). Otherwise I would not object.

Sir SAM HUGHES: If the hon. member does not object, I would like just to tackle his address for a short time. Nothing would give me greater pleasure.

Mr. CARVELL: I am always game, you know. I never object to listening to an antagonist.

Sir ROBERT BORDEN: How long would the hon. gentleman require to finish his remarks?

Mr. CARVELL: Probably three-quarters of an hour.

Sir ROBERT BORDEN: As much as that?

Mr. CARVELL: Yes.

Sir ROBERT BORDEN: That is terrifying.

Mr. CARVELL: I have really just covered one or two phases, and I want to take up some other matters.

Sir SAM HUGHES: I certainly do not object, but I would dearly love to get a clip at the hon. gentleman.

Mr. CARVELL: You could get it on Thursday.

Sir ROBERT BORDEN: I think the minister, upon reflection, has come to the conclusion that there is not very much to

answer, and therefore he will consent to adjourn the debate.

Mr. CARVELL: I move the adjournment of the debate.

Motion agreed to, and debate adjourned.

Sir ROBERT BORDEN moved the adjournment of the House. He said: I intended that we should go on with this debate on Thursday, but I understand that some arrangement has been made between the whips on account of which some hon. gentlemen may not be here on Thursday. Therefore I am willing to adjourn the debate until Tuesday, and take up estimates on Thursday and Friday if that will more generally meet the convenience of hon. gentlemen. If we go into estimates, we will take up Labour, Justice and Railways.

Mr. ROGERS: If Railways will suit my hon. friend from South Renfrew (Mr. Graham).

Mr. GRAHAM: If an arrangement has been made, of course we will conform to it, although I understood we were going on on Thursday, with this debate.

Sir ROBERT BORDEN: So did I.

Mr. GRAHAM: However, if the proposal suits the convenience of hon. members we will acquiesce in it.

Mr. CARVELL: I suppose I ought not to ask too many favours, but on account of some personal matters that have cropped up by cable to-day, I think it will be difficult for me to be here the first of next week. I should prefer Thursday.

Sir ROBERT BORDEN: Then we will have the continuation of the speech of my hon. friend on Thursday, one speech in reply, and then adjourn the debate and go into Estimates for the rest of Thursday and the whole of Friday.

Mr. GRAHAM: Railway Estimates will suit me on Thursday, but I am not so sure about Friday.

Sir ROBERT BORDEN: Then we will not take them up on Friday, but on Thursday, if at all.

Motion agreed to, and the House adjourned at 11.38 p.m.

Thursday, March 9, 1916.

The House met at Three o'clock, the Speaker in the Chair.

INSURANCE ACT AMENDMENT.

Mr. BLAIN moved for leave to introduce Bill No. 54, to amend the Insurance Act, 1910.

Mr. GRAHAM: What is the amendment?

Mr. BLAIN: This is a Bill which was introduced at the last session of Parliament by the late Mr. Lancaster. It was simply placed in my hands, and I thought that if it were presented to the House it would, when printed, explain itself much better than I could.

Mr. GRAHAM: Does it relate to life insurance or to fire insurance?

Mr. BLAIN: Life insurance.

Motion agreed to, and Bill read the first time.

WINDING-UP ACT AMENDMENT.

Hon. C. J. DOHERTY (Minister of Justice) moved for leave to introduce Bill No. 55, to amend the Winding-up Act. He said: The purpose of the Bill is merely to correct an anomaly that exists. The Supreme Court of Ontario includes two divisions—the High Court of Justice, and the Court of Appeal. All the rules of practice, generally speaking, are made by the entire court, comprising the two divisions. The provision in the Winding-up Act defines the court in the province of Ontario as the High Court of Justice, and confides to that court the making of the rules. The result is that, whereas all other rules of practice are made by the entire court, comprising the two divisions, the rules under the Winding-up Act are made by only one division of the court. This is anomalous, and it is on the suggestion of the Chief Justice of Ontario, with, I understand, the concurrence of the other judges of both divisions of the court, that we seek to amend the Act, so as to put the rules under the Winding-up Act in the same position as all other rules of practice in the Courts of Ontario.

Motion agreed to, and Bill read the first time.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 52, for the relief of Henry John Thomas Wardlaw.—Mr. Wallace.

Bill No. 53, for the relief of Robert William Thompson.—Mr. J. E. Armstrong.

QUESTIONS

[Questions answered orally are indicated by an asterisk.]

OTTAWA CUSTOMS BUILDING.

Mr. MURPHY:

1. Were tenders invited for the construction of a retaining wall and sidewalks at the Customs building, Sussex street, Ottawa?
2. If so, who were the tenderers, and what was the amount of their respective bids?
3. (a) To whom was the contract awarded, and (b) when is the work to be completed?

Mr. ROGERS:

1 and 2. The P. Lyall & Sons Construction Company, contractors for the Customs building, were invited to tender by the Chief Architect, and the tender submitted, amounting to $22,637.50, was accepted.

3. (a) The P. Lyall & Sons Construction Company; (b) the contract called for the completion on 26th January, 1916. Owing to severe weather work had to be suspended, but the wall will be completed early in the spring.

A. KASTELLA.

Mr. MACDONALD:

1. What position did A. Kastella hold in the Department of Public Works?
2. When was he appointed?
3. Has he been removed from his position?
4. If so, for what reason?
5. Is the said A. Kastella of German extraction?
6. Is he a British subject?
7. If so, when was he naturalized?

Mr. ROGERS:

1. Mechanical superintendent of dredges.

2. May 28, 1914.

3 and 4. No; he resigned on February 15, 1916.

5. Yes.

6 and 7. Yes, by naturalization. Mr. Kastella came to Canada about fourteen years ago, and claimed to have been naturalized in 1904 before a Justice of the Peace. Not having his papers in accordance with the law, he was again naturalized on December 5, 1914.

SUNNYBRAE MAIL SERVICE.

Mr. SCHAFFNER:

1. What is the difference in cost between the railway mail service and the rural mail service actually in existence at or near the place called Sunnybrae, N.S., mentioned by the member for Pictou, pages 1304 and 1305 of unrevised Hansard?
2. What, if any, advantages have accrued by reason of the establishment of the rural mail service in question?

Mr. CASGRAIN:

1. Present cost by rural mail delivery, $901; former cost by railway, $895; increased cost, $5.10.

2. Under the old system, mails were distributed by train running from Sunnybrae to Ferona Junction, leaving Sunnybrae at 9.55 a.m. and arriving at Ferona Junction at 10.55 a.m. This train, of course, carried mails from local points only, and at 3.15 in the afternoon returned carrying all mails from western and eastern points, and the distribution throughout the localities from the side stations was made only from the 3.15 train. Thus these mails arrived at the different post offices on an average between 4 and 5 p.m. Under the present system, all western mails, without exception, and all eastern mails from Sydney up to 8.40 p.m. the night before, representing over 95 per cent of all such mails, are distributed between 12 o'clock noon and 4 p.m., a gain of from two and a half to four hours. In addition, these mails are delivered not at post offices some distance from the houses of the farmers, but at their doors, along the whole route, and the best proof of the usefulness of the service is that rural field officer McLeod reports through the inspector that, upon making inquiries amongst the box holders, they all expressed themselves as well pleased with the rural mail delivery, and under no conditions would they wish to return to the former service.

VICTORIA, B.C., RIFLE RANGE.

Mr. SINCLAIR:

1. Does the Department of Militia and Defence hold a conveyance of the property at Heals, B.C., on which the new rifle range has been constructed?
2. Has payment been made for this property? If not, why not?
3. If the department holds the property, under what terms and conditions did it enter into possession?

Mr. KEMP:

It is presumed that the above questions have reference to the Heal property, which has been acquired as an addition to the new rifle range site, Victoria, B.C. If so, the answers are as follows:

1. The department acquired title under the provisions of the Expropriation Act.

2. Yes.

3. See reply to No. 1.

DR. BOUCHER.

Mr. LACHANCE:

1. During the course of 1915, did the Government receive any complaints against Doctor Boucher, as physician in charge of the medical service for the Lorette Indian reserve, county of Quebec?

2. If so, what were such complaints and by whom were they made?

3. What action has the Government taken regarding such complaints against Doctor Boucher?

4. Will the Government order an investigation into such complaints? If so, when?

Mr. ROCHE:

1. Yes.

2. Moise Gros Louis, of the Lorette reserve, complained, in connection with his wife's confinement, that the child died at the time of birth owing to negligence on the part of Dr. Boucher.

3 and 4. The facts on which the complaint was based did not, in the opinion of the department, show negligence on the part of the doctor, but the matter is being inquired into.

ENLISTMENT OF JEWS.

*Mr. BOULAY:

How many Jews have enlisted in French-Canadian or English-Canadian battalions since the beginning of the war?

Sir ROBERT BORDEN: A large number of Jews have enlisted in the overseas force since the beginning of the war. It would be a work of very great labour to go over the whole list of 275,000 men for the purpose of ascertaining the information asked for in the question. We do not think it is desirable in the public interest to take that course.

Mr. GRAHAM: Hear, hear.

MEMBERS OF PARLIAMENT SERVING WITH THE FORCES.

*Mr. J. J. HUGHES:

Is the Government aware that the British Government has, as reported, decided that no member of Parliament serving with the forces of the Crown may draw both indemnity as member of Parliament and his service pay? If so, does the Government intend to follow the example of the British Government in this respect?

Sir ROBERT BORDEN: The Government is informed that up to the end of the present fiscal year members of Parliament of the United Kingdom serving with the forces of the Crown, draw their sessional indemnity and also their service pay. We are also informed that the Prime Minister of the United Kingdom has announced his intention of introducing a resolution on the subject before the Easter recess. As far as the Government of Canada is concerned, the subject is under consideration.

MOOSEJAW EXAMINING WAREHOUSE.

Mr. W. M. MARTIN:

1. (a) When, (b) at what price, and (c) from whom was land bought in Moosejaw for an examining warehouse?

2. What other properties were offered, by whom, and at what prices?

3. Who appraised the present site on behalf of the Government?

Mr. ROGERS:

1 (a) Order in Council dated 20th February, and certificate of title dated 3rd March, 1914. (b) $60,000. (c) From Mr. Jacob Erratt.

2. No record in the department that any other properties were offered.

3. Mr. W. T. Mollard, Clerk of Works, Regina.

POST OFFICES IN INVERNESS.

Mr. A. W. CHISHOLM:

1. How many families is each of the following post offices supposed to serve: Gillisdale, Kupoch, Kiltarlity, Mount Borden and Scotsville?

2. What is the revenue of each office?

3. What is the distance between each of these offices and the next nearest office?

Mr. CASGRAIN:

1. Gillisdale, 16 families; Keppoch, 7 families; Kiltarlity, 6 families; Mount Borden, 6 families; Scotsville, 33 families.

2. Gillisdale, $27.50; Keppoch, $11; Kiltarlity, $28; Mount Borden, $9; Scotsville, $110.41.

3. Gillisdale, nearest office South West Margaree, 2½ miles; Keppoch, nearest office, Mount Borden, 2½ miles; Kiltarlity, nearest office, Scotsville, 2½ miles; Mount Borden, nearest office Keppoch, 2½ miles; Scotsville, nearest office Kirkwood, 2 miles.

OIL-BURNING LOCOMOTIVES IN BRITISH COLUMBIA.

Mr. OLIVER:

Did the Railway Commission issue an order requiring the Canadian Pacific and the Grand Trunk Pacific to burn oil in their locomotives on lines in British Columbia? If so, when was such order issued?

Mr. REID:

1. No such order has been issued by the board.

2. Answered by No. 1.

CANADIAN OFFICERS IN ENGLAND.

Mr. MACDONALD:

1. How many Canadian officers are employed in the Canadian Pay and Record Office in England?
2. How much is paid out monthly in England to Canadian officers not attached to Canadian units there?

Mr. KEMP:

1. The latest information up to January, 1916, is that there were 54 officers employed in the Canadian Pay and Record Office, London.

2. All Canadian officers in England are attached to some unit.

SUBSIDIZING SHIPS IN BRITISH COLUMBIA.

Mr. MACDONALD:

1. Has any request been made by the Provincial Government of British Columbia to the Federal Government, asking for the subsidizing of British Columbia ships?
2. Has any request been made by said Government for the laying down and constructing or assisting in the construction of twenty-five ships by the Federal Government?
3. What action has been taken in regard to said requests or either of them?

Sir ROBERT BORDEN: Any necessary answer in regard to the matter alluded to in this question will be made in due course.

SMALL ARMS AMMUNITION.

Mr. MACDONALD:

1. Was any small arms ammunition disposed of by the Militia Department since August 4, 1914? If so, to whom?
2. What was the price received?

Mr. KEMP: All servicable ammunition has been issued to Canadian contingents. It would not be advisable to give the details during the present emergency, in the public interest.

P. M. FIELDING.

Mr. MACDONALD:

How much has been paid P. M. Fielding, of Windsor, N.S., for services as recruiting officer and for expenses in that connection?

Mr. KEMP: No payments made to P. M. Fielding, Windsor, N.S., for recruiting.

BAY ST. LAWRENCE TELEGRAPH OFFICE.

Mr. McKENZIE:

1. What was the cost of running the telegraph office at Bay St. Lawrence, Nova Scotia, during the years 1911, 1912, 1913, 1914 and 1915, including salaries?
2. What was the number of messages sent from the above office during the years 1914 and 1915?
3. What was the revenue from the above office during the years 1911 to 1915, both inclusive?
4. On whose recommendation was Vilkren Theriault dismissed from the telegraph office at Bay St. Lawrence, Nova Scotia, and on whose recommendation were the two present operators at that office appointed?
5. What was the salary paid to Vilkren Theriault while in charge of the above office, and was his salary the only one paid in connection with the said office during the years that he was in charge of it?
6. (a) When were new poles furnished for that section of telegraph line between Bay St. Lawrence and Money Point, and (b) who furnished them?
7. Were they examined? If so, by whom, and were any of them rejected, and what was the cost per pole?

Mr. ROGERS:

1. 1911, $1,333.75; 1912, $1,243.35; 1913, $1,210.33; 1914, $1,253.01; 1915, $1,198.30.
2. 1914, 110 messages; 1915, 92 messages.
3. 1911, $46.19; 1912, $20.63; 1913, $39; 1914, $30.70; 1915, $29.49.
4. By order of the Minister of Public Works, for political partisanship; the two present operators appointed on recommendation of Mr. John McCormick.
5. $720 per annum; and Mrs. V. Theriault was paid $420 per annum as assistant agent.
6. (a) In June, 1915; (b) J. R. McNeil.
7. Yes, by C. P. Livingstone, superintendent of construction, a few rejected and replaced by others of proper size and quality, 90 cents per pole.

ANTOINE GOBEIL.

Mr. KYTE:

1. How much money has Antoine Gobeil, late Deputy Minister of Public Works, received from the Federal Government since December 31, 1914?
2. How much of the amount so received was for superannuation allowance, and how much for other services?
3. If any amount was received for services performed for the Government, what were those services?

Mr. ROGERS:

1. $2,756.66 to February 29, 1916.

2. $2,520 for superannuation and $236.66 for services in January, 1915.

3. Preparing a history of the port of Quebec in relation to the St. Lawrence trade, and compiling other information required by the department.

WEST ROCHDALE POSTMASTER.

Mr. SINCLAIR:

1. Who is the postmaster at West Rochdale, Guysboro county, Nova Scotia?
2. When was the present postmaster appointed?
3. On whose recommendation was this appointment made?

Mr. CASGRAIN:

1. Thomas Kelly.

2. January 28, 1916.

3. On recommendation of Mr. G. A. R. Rowlings.

EMPLOYMENT OF DR. HJORT.

Mr. SINCLAIR:

1. Is Dr. Hjort still in the employ of the Naval Service Branch?

2. Has he made his final reports?

3. If so, when will the report be available?

Mr. HAZEN:

1. No.

2 and 3. No. Dr. Hjort is at present in Bergen, Norway, where he is preparing his final report from information obtained during his investigation of the Canadian herring fishery.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Paquet.—For a return showing: What are the names of the lawyers of the province of Quebec who have been entrusted with certain cases or given work by the Government between the 1st September, 1908, to the 1st October, 1911; what amounts were claimed by each of such lawyers for each case or matter in which he acted; and what amounts were paid to each of them.

Mr. McKenzie.—For a return showing: how much was collected in wharfage on goods landed on Government wharves in the county of Victoria, at Neils Harbour, Ingonish, Englishtown, South Gut, Baddeck, Little Narrows, Nyaiga, and Big Bras d'Or; and how much was collected at each of the above places, by whom collected, and how much returned to the Government in each case.

GOVERNMENT INSPECTION OF HOGS.

On the Orders of the Day:

Mr. McCOIG: Mr. Speaker, I would like to draw the attention of the Government to the market quotations in the London Free Press. The quotation for hogs is as follows:

Hogs, fed and watered, $9.50, less one-half of one per cent for Government inspection.

I would like to call the attention of the Government to the fact that hog buyers throughout the country have been deducting the price of hogs one-half of one per cent for the Government inspectors. As I understand, the inspectors who are employed by the Government are paid by the Government. If these men have been collecting this percentage, have they been returning it to the Government, or have they any right to make this claim upon the farmers who are selling hogs to them?

Mr. HAZEN: I am sorry that I am unable to give my hon. friend the information off-hand. The matter was not called to my attention before. I shall be very glad to get the information and answer my hon. friend's inquiry at question time to-morrow.

SHELL CONTRACTS.

PROPOSED COMMITTEE OF INVESTIGATION.

Consideration of the proposed motion of Sir Wilfrid Laurier for a committee to inquire into purchases of shells or other munitions or goods by the Shell Committee, resumed from Tuesday, March 7.

Mr. F. B. CARVELL (Carleton, N.B.): Mr. Speaker, I crave the indulgence of the House for a short time in order to conclude the remarks which I have to address to the House upon this very important resolution. I had covered, before midnight on Tuesday, the most important points raised by my right hon. friend the Prime Minister (Sir Robert Borden), and most of the reasons given by him why this resolution should not carry. I desire to refer to a few more, and then I shall be through.

Just before adjournment I was discussing the question of fuses. I had described, as generally as I possibly could and yet to make it intelligible, the construction of a fuse and the manner of its operation. On a former occasion I stated in this House that the Shell Committee had given two contracts to firms in the United States. One was to the American Ammunition Company of New York for 833,334 fuses at $4.50 each, and 1,666,666 at $4 each. This, figured out, made a total of $10,416,667. Then, they gave another contract to the International Arms and Fuse Company of New York for 833,334 fuses at $4.50 each, and for 1,666,666 at the same price, making a total of $11,250,000. In other words, we have here contracts for almost $22,000,000 given to firms in the United States. When we find contracts of that immensity given to our neighbours, we naturally commence to ask, why is it that the Canadian manufacturers could not have produced these necessary articles? A fuse is not a very big article; it cannot be the size of it that prevents the Canadian manufacturer from making it. It is only made of brass, a little copper and a few steel springs. The steel springs are so minute that a few thousand pounds of them would be all that would be necessary for the whole 5,000,000 fuses. It cannot be for lack of machinery, because we can get machinery in Canada that will make anything. It certainly cannot be for lack of workmen, because it has been demonstrated during the last year or two that Canadian workmen can make shells and anything else

in the line of warlike supplies, and therefore I believe they can make fuses. Why is it? This Shell Committee was organized away back in September, or October, 1914, and it was not until the summer of 1915, or until pretty nearly a year had gone by, at least nine months, before these gentlemen even commenced, as far as the public are advised, to consider the question of fuses. I pointed out on Tuesday the absolute uselessness of shells unless you had fuses to explode them; and yet these gentlemen sit around taking contracts unto themselves and giving contracts unto their neighbours, friends, and associates, entirely disregarding the whole question of fuses, which is the very life of the transaction, and without which every dollar expended is absolutely thrown away.

When we come to investigate this question, we arrive at some most remarkable conclusions. I have not had time thoroughly to digest all the remarks made by the Minister of Militia, but I think I am correct when I say that he stated very near the close of the debate on Tuesday evening that the graze fuse, or the fuse that he calls the No. 100, is being made in England to-day for $1.95. I proved to him out of his own records—I took no garbled reports or anything of that kind—that from 1909 down to 1914 he bought exactly the same fuse, the No. 100, or graze fuse, from firms in England, from Vickers & Co. on a contract, a quantity of something like 25,000, at $2.26 each. He says that they are being manufactured in England to-day for $1.95 each. After spending nine months of precious time, and taking chances of the British army being annihilated for lack of ammunition, this Shell Committee gave a contract in the United States for 1,666,666 of these fuses, not at $1.95 each as in Britain, not at $2.26, the same as was paid for the same article just one year before, but at $4; that is they paid $3,000,000 more than these fuses could have been bought for in England at that time. I have positive information here as to the price of the T & P fuse, or the time-fuse, as it is called. I find he bought these fuses for $2.26 each in Britain. I see that he gave contracts in the United States for 2,500,000 and 833,000 of these time-fuses at $4.50, although he had bought the very same fuse in Britain a year before for $2.26. I have proof of that right from his own documents. Why is it necessary to pay such an enormous premium as this in order to get these very necessary articles? If the minister said that he could not get them in Britain, that might be an answer. But he has not said so, and he won't say so, because he can't say so. He has not said that they could not be made in Canada, because that would not be true, and I know the Minister of Militia would be the last man to state what was not true. In the month of June last a contract was given to the Russell Motor Car Company, of Toronto—if the contract was not in their name it was given to that company anyway—for 500,000 graze fuses; half of these fuses were to be supplied at $4 each, and the other half at $3 each. So the minister was able to get fuses manufactured in Canada for $3.50 each, and that on a small contract of 500,000. Yet he placed a contract in the United States for 1,666,666 fuses, and paid $4 each for them. Will any hon. gentleman in this House who attempts to defend these transactions say that these fuses could not be made in Canada?

We had an almost unpleasant exchange of compliments across the floor of this House on Tuesday evening last, because in my judgment the Minister of Militia did not do himself justice. He tried to get behind the quibble that no fuses had been furnished the Shell Committee, and no contract made by the present Munitions Board. But it turned out that what he meant to say was that fuses had been furnished to the Shell Committee, and that they had made contracts. The Shell Committee made a contract with the Russell Motor Car Company, and that company have manufactured fuses in Canada, and are manufacturing them to-day. Only yesterday I saw Mr. T. A. Russell, and he told me they were carrying out their contract, and delivering more than 3,500 fuses a day. He said that they would not only be able to fill their contract, but fill it ahead of time, after complying with every condition and requirement. And yet these Americans who got this enormous contract at this horrible price have never furnished a solitary fuse, and the British Empire might have been smashed to pieces by the German armies if it had relied on the Canadian Shell Committee to supply fuses for their shrapnel and high explosive shells.

Why is it that they had to go to the United States? You have to go to New York to find out. I am sorry I have not been there many times myself in the last year, but there are many people in Canada who have. And it all comes back to the same dirty trail—J. Wesley Allison. Every dirty trail in the whole transaction leads to Allison, and there is not a

dirty trail' that J. Wesley Allison has not trodden in the last year and a half. This is the gentleman who is playing sick down in New York; the man who has pneumonia, according to the newspapers; the man who, for the last three nights, including last night, has taken a seat in a Pullman from New York to Canada, and had his grips stowed away on board by the porter, and then just before the train pulled out, has sneaked out by the back door and gone back to his hotel. He thinks somebody is watching him, and he is quite right. He is trying to put people off the scent; he does not want us to know where he is. But we know where he is all right, and we know who will be closeted with him to-morrow morning about eight o'clock. We know there was an hon. gentleman of this House who was very brave here on Tuesday evening, simply dying to jump into the breach. He could not wait until this afternoon to answer the remarks I was making. He is the man who is primarily responsible for all these nefarious transactions, perhaps more responsible than any of his colleagues. This man, who has not the manhood to stand up here and answer these charges, and who, when brought face to face with the untrue statements made by him, and made advisedly and deliberately—

Mr. SPEAKER: The hon. gentleman is certainly going too far. It is out of order to say that an hon. member of this House deliberately made an untrue statement.

Mr. CARVELL: I gladly withdraw that expression. It was this man who told us that the prices of shells in Britain were greater than the prices in Canada, and I have proved that every word he said in that connection was not true in fact. This is the man who is not here to-day to answer these charges, but finds it necessary to go to Montreal to address some sort of a meeting before the board of trade, and then go south for his health. This is the hon. gentleman who will be consorting with J. Wesley Allison to-morrow morning in New York, and they will be consorting with a lot more of their ilk in the next few days, down in the balmy atmosphere of Florida. This hon. gentleman leaves it to somebody else to defend these transactions, and the man who attempts to do it has certainly got a thankless task. This J. Wesley Allison, who the Minister of Militia says has saved this country and the Allies $50,000,000 in the purchase of munitions, is the man who, along with Carnegie, a member of the Shell Committee—and I want to bring him in because he is just as responsible as Allison; he was in New York consorting with these gentlemen just as much as Allison was—these two gentlemen went to the United States, representing the Shell Committee, and made the nefarious transactions I have described with these American firms; firms who had never manufactured a fuse before, who never intended to manufacture a fuse, and who have never manufactured a fuse to this day. These firms sublet the contracts to other contracting firms, of which J. Wesley Allison is a member, at prices which will net millions and millions to them. And then they come back to the Canadian Parliament, and say: "You have no right to investigate transactions of this kind; you are disloyal; you are not good Canadians; if you ask to have these matters investigated and brought out in the light of day, you are not good Britishers."

Mr. Speaker, I repeat that if there is anything in the whole history of Canada which ought to have the light of day shed on it, it is the transactions of the Shell Committee with regard to fuses. I have not told one-half of the iniquity. My right hon. friend the leader of the Opposition gave the beginning of it in his address on Tuesday, when he said that before these contracts were consummated, or even entered into, the Shell Committee advanced to these American gentlemen over $3,000,000. This money was advanced before a blow was struck, and hon. gentlemen opposite say that it was necessary to advance this money in order to get the firms organized and doing business. They did not tell the Russell Motor Car Company of Toronto that they had advanced to these American firms $3,000,000, or nearly 15 per cent of the contract. I am told, however—I did not get this from Mr. Russell—that when the Canadian manufacturers found out that the Shell Committee had advanced this enormous sum to American manufacturers, they went to the Shell Committee and that committee was compelled to give them an advance in order to help to finance the work. The result is that the Canadian manufacturers are furnishing the fuses, exactly as per contract, for $3.50 each, whereas the American manufacturers, who have received over $3,000,000 of good British and Canadian money, have never furnished a fuse, but have simply sublet the contracts

to the friends and confreres of J. Wesley Allison, and I do not think, Sir, you would have to make half a dozen guesses in order to name his principal confrere.

Now, Sir, why could not fuses be made in Canada? A fuse consists simply of between twenty and twenty-five pieces of brass which have to be turned to certain shapes and certain sizes and which must measure up to a certain gauge. Every watchmaker in Canada from the Atlantic to the Pacific, is in a position to do something toward manufacturing these fuses. Of these twenty to twenty-five different parts one is a little ball, another is a little pin, another a disc, another an oval, and so on, and they need not all be made in one factory. The Munitions Board, if they would mobilize the industries of this country, could have, not one factory, not twenty factories, but a hundred, yes, five hundred places in Canada where fuses could be made to-day, and in that way they would be able to give work to thousands and tens of thousands of Canadians who are idle at present and who would be glad to have an opportunity of earning a livelihood. The Minister of Militia is always speaking about the manufacturers. Why does he not do something with the manufacturers in regard to the making of fuses? Why does he not put tens of thousands of people in a position to earn their livelihood in an honest way, by doing something to aid this country in bringing this war to a successful issue? It is no wonder the Minister of Militia is not here this afternoon to reply to these statements.

I was also very much surprised at the attempt made by the right hon. Prime Minister to make the people of this country believe that my right hon. leader and myself and every other hon. gentleman on this side who have discussed this question, were having a fling at the manufacturers of Canada and were trying to prevent them from doing a legitimate business. I would like any hon. gentleman opposite to point his finger at one statement that I have made against the Canadian manufacturers making shells, fuses, clothing, and everything else which could possibly be used in the conduct of this war. I would like him to point his finger at one such statement made by any hon. member on this side of the House. We find fault to-day with the Shell Committee because of the prices which they have given to some of the manufacturers for making these various articles. I have commended them; I do now commend them for many things that they have done. I made the statement a month ago; I repeated it on Tuesday last; I repeat it now: that if the only company capable of doing this work consists of the Prime Minister, let them give the contract to the Prime Minister, let them give it to the man who can do the work quickest and best; let them give it to the company which can turn out the finished article in the shortest possible time.

I have made a list of some things for which I can commend the Shell Committee. By going over some notes that I have been able, with a good deal of difficulty, to prepare, I find that up to the month of January last when the minister made his speech on the Address—and it is as of that date I am now speaking—orders had been given for the manufacture of about 11,000,000 18-pr. shrapnel shells; that at that time there had been delivered to the Shell Committee about 5,750,000, and that the Shell Committee were able to find in Canada fifteen firms capable of doing pretty nearly three-quarters of that work and they did pretty nearly that amount. I find no fault with that because those were the people to whom the business should have been given. These are the names of these fifteen firms, with the number of shells ordered, the number delivered, and the highest prices paid:

Companies.	No. of shells ordered.	No. of shells delivered.	Highest price paid.
Canadian Allis Chalmers Co.	235,000	185,000	$3 75
Canadian Bridge Co.	655,000	141,000	3 80
Can. Car and Foundry Co.	235,000	134,000	5 15
Canadian Fairbanks Morse Co.	775,000	384,000	5 15
Canadian Ingersoll Rand Co.	752,000	400,000	5 15
Canadian Locomotive Co.	160,000	128,000	5 15
C.P.R. Co.	782,000	482,000	5 15
Canadian Westinghouse Co.	480,000	213,000	3 80
Chapman Bdge. Bldg. Co.	202,000	108,000	5 15
Dominion Bdge. Bldg. Co.	675,000	378,000	3 80
Goldie & McCullough.	367,000	187,000	5 15
Massey-Harris Co.	338,000	129,000	3 80
Montreal Locomotive Works	477,000	284,000	3 80
National Steel Car Company	430,000	336,000	3 80
Steel & Radiation Co.	272,000	116,000	3 80
	6,845,000	3,605,000	

I may say, however, that at about the same time the Massey-Harris Company got an order for 100,000 high explosive shells at the top-notch price of $5.70. In the total list there are 57 companies, and the total order for shells was 11,223,000

and the total deliveries were 5,750,000. In other words, these fifteen big companies that were properly equipped to do the business delivered 3,605,000 out of a total of 5,750,000, and the other forty-two companies delivered only about thirty-five per cent of the whole order. Why was it necessary to travel throughout Canada in order to bring in these mushroom companies for the manufacture of shells, when there were real, genuine, honest manufacturing concerns in Canada by the dozen that were willing and anxious to throw their plants open for the manufacture of shells and who did manufacture shells? In addition to the fifteen firms that I have mentioned, there is not an industrial centre in Canada where the committee could not have found firms who had the organization, the machinery, the plant, the money, and the workmen idle, and who would have been glad to have had an opportunity to manufacture these shells. The Shell Committee, however, allowed their political friends to organize mushroom companies from one end of Canada to the other, and these companies up to the present time have hardly commenced to scratch the surface of the business.

As my hon. friend from Calgary (Mr.R. B. Bennett) is going to follow me, I will give him an idea of how these orders were placed, simply to make these companies feel good, and for political reasons. Take for instance the 18-pr. high explosive shell, because the further one goes the worse the business gets. In the beginning, I must confess that the big companies were made use of to a greater extent than they were later on, and the only fault I have to find with those transactions to which I have referred is the question of price. When I am told it was necessary for the Canadian Pacific Railway, or the Canadian Westinghouse Company, or any other of these large concerns to get $5.15 for machining a shell, when they are glad to make them to-day for $1.35, and are hunting for orders at that price, I must say that the percentage of profit was far too great in the beginning. Of course, I know these companies will say: "Oh, but we had to take such terrible responsibility; we had to buy plant; the banks were timid and did not want to advance money; we had to experiment; we went into this thing with fear and trembling, and we did not know but that we were going to be ruined in the process." I described the process on a previous occasion, and I am not going into it again. Occasionally some of these gentlemen come to me—not the big ones, but the small fellows, the mushroom company men, the political friends who go into this thing for what there is in it regardless of whether they furnish a shell or a particle of ammunition or not. I had a very interesting conversation with one gentleman from Toronto. I do not know that I ought to give his name here, but if I did I am sure a smile would go around this House, especially on the faces of members of the Public Accounts Committee. I will only say that he was one of the boys, one of the good boys. He had in his vest pocket a friction tube, which is used for discharging guns up to the 15-pounder—guns above that calibre are discharged by a percussion primer in the base of the cartridge. This friction tube consists of a square block about two inches long, filled with some material like that on the outside of matchboxes. A piece of metal goes inside, with a surface like a file or rasp, and when you pull out the file it lights the match. There is a tube about an inch and a half long that goes down the breach of the gun into the powder; the fire goes down the hole, explodes the cordite, and the gun is fired. This gentleman told me what an awful time he had in working out this proposition. He said he had had his whole organization at it for three or four months. They had wrestled with it day and night, they had worked at it unceasingly, and finally they won out and were able to make the article. He said that when Mr. Thomas was here in the summer Mr. Thomas told him that he had sent representatives from the Woolwich arsenal to India to show them how to make friction tubes, that they had taken seven months, and had not done as well as Canada had done in three months. And Mr. Thomas, he said, patted him on the back and said: "Well done, Canada!" Why, if I had a piece of sheet brass as big as my hand, a hammar, a hack-saw, a file, and a soldering-pot I could make one myself in two hours. The thing does not go inside the gun and does not need to be made to the thousandth part of an inch. It is just a thing that you put into the hole, and hitch the lanyard string into the rasper file, so that when it is pulled it lights the match and the fire goes into the gun and explodes it. But this gentleman toiled and worked until he got an order for 200,000 of these friction tubes at twenty-eight cents each. That was worth working for. But I find on going over my notes that he is not the only one to make friction tubes, because

I see that about one million of them have been ordered. I merely give this illustration of what the manufacturers tell you of the horrible chances they took in trying to get ready to go into this business.

Dealing with the question of shrapnel, I have given the highest price, but not the lowest price, and my objection to this whole transaction was as to the prices paid. Let me tell you, they are manufacturing that same shrapnel at $1.35, and are not only willing to take the business but anxious to get it. At these prices, the present Munitions Board, I believe, could give contracts to manufacture shrapnel shells to the number of 50,000,000 in Canada at $1.35 if they were able to give the orders. And when I tell you that out of 5,500,000 shells delivered, the average cost up to a month ago was $3.50 each, you will have some idea of why we find fault and why we are asking for an investigation.

When you come to the 18-pounder, you find that the thing gets worse. This is just as easy to make as the other—I believe it is easier, for there is less machining about it and less nicety. The only difficulty is that they have to bore the hole in the middle, whereas in the case of the shrapnel the hole is forged beforehand. The highest price paid for these 18-pounders was $5.70. No big orders were given for these—this is where the political part of it comes in. The Dominion Bridge Company got an order for 600,000, and the Canadian Westinghouse Company an order for 400,000. Outside of these, no big orders were given until you come down to the political end of it. I am not going into a long dissertation upon these transactions, but will merely point out some things which will interest my hon. friend from Calgary (Mr. R. B. Bennett). I find that the Dominion Harvester Company, of Medicine Hat, were able to get an order for 10,000, and up to a month ago they had not delivered a single shell. The International Supply Company, of Medicine Hat, got an order for 10,000, and not a shell has been delivered. The Manitoba Bridge and Iron Works, of Winnipeg, got an order for 20,000, and not a shell has been delivered.

Mr. HANNA: What is the date of those orders?

Mr. CARVELL: I could not say exactly; it was during the summer of 1915. I am only giving these to show the political end of the transaction. The Manitoba Shell Company of St. Boniface, got an order for 10,000, and nothing has been delivered. The Medicine Hat Pump and Brake Company got an order for 10,000 and nothing delivered. The Transcona Shell Company of Winnipeg got one order for 250,000 and nothing delivered. It would be interesting if the Government would tell us who are the officials of this company. We know that the company is occupying the Transcona shops in St. Boniface. These shops were erected at public expense, and they were all prepared for the manufacture of shells, but the order came from Ottawa, and these gentlemen stepped in and took charge. We know that they got an order for 250,000 of these shells, and this, after the Minister of Railways (Mr. Cochrane), had promised Mr. D. A. Thomas that the Government would manufacture sheels in these shops and so bring the prices down to a minimum and show how cheaply they could be manufactured. The Vulcan Iron Works of Winnipeg got an order for 20,000, and not a shell delivered. The Western Shell Committee got an order for 300,000 and not a shell delivered. Then we come to British Columbia, and we find that the Vancouver Engineering Works got orders for 340,000, of which they have delivered about 39,000; the Victoria Machinery Depot of Victoria got an order for 220,000, and about 10,000 have been delivered; the Vulcan Iron Works of New Westminster, got orders for 150,000, and about 35,000 have been delivered. I wish to ask my serious friends opposite—I know many of them are serious—if they really believe that they were helping to fight the battles of the Empire by carrying on transactions of that kind. Yet hon. gentlemen opposite object to our discussing the conduct of this committee—the conduct of this Government, really; because, Sir, we know that members of this Government have interfered in the letting of these contracts. Make no mistake about that. We can pick out not only one member, but two, three, four; we can name them; we can tell you when they interfered, how they interfered, and what results followed. It is no wonder that they do not want an investigation. Up to the present time about 1,700,000 of these 18-pounder high-explosive shells have been delivered, of which the average cost has been $4.75. People are tumbling over themselves to-day to get contracts for the machining and assembling of these shells at $1.75; millions of orders have been given

by the present board at the rate of $1.75 and $1.85. I was told a few days ago—I cannot vouch for this, but I think most of the things that I have said have impressed hon. gentlemen opposite as being pretty nearly the truth—that contracts for the 18-pounders have been let at the rate of $1.45 each. But, Sir, let me emphasise the fact that the 1,700,000 shells, which have been delivered, have cost the Canadian Government an average price of $4.75 each. More than that, over one-quarter of all the contracts that were let—and they amount to $4,000,000 or a little over—were let by this committee at the highest price of $5.70 per shell. Is it any wonder that Lloyd George sent some one over here to investigate this matter and to see what was wrong?

When we come down to the 4.5-inch Howitzer quick-firing shells, we find even a worse condition of affairs; we find politics absolutely rampant. Here is where these gentlemen commence to get braver and apparently more brazen than at any time in the history of the whole transaction. Orders for 2,900,000 of these shells were given; only about 700,000 were delivered, and these have cost the country $6.25 each, merely for the machining. I find, according to the documents of the Minister of Militia's Department, that in the month of February, 1914, 200 of these shells were bought at 10s. 11d., or $2.46. Think of it; in the last year and a half the minister and his friends have bought about 700,000 of these shells at $6.25 each, and they have paid from $3 to $5 in addition for the forgings and the blanks. Is it any wonder that we show a little anxiety, perhaps a little heat, over this matter? When we are brought face to face with documents of this kind; when we see the horrible waste of public money that I have pointed out, is it any wonder that we demand an investigation to see whether this thing is all right or whether it is all wrong?

I think that nothing in my whole parliamentary experience ever created as deep an impression on my mind as did the conduct of the right hon. Prime Minister in this House on Tuesday last. He attempted to make the country believe that the Liberal party were asking for an investigation of this matter because they wanted to prevent the Canadian manufacturers from doing business. He played the petty, parish, political game of appealing to the manufacturers and to the labourers. It did not seem to concern him whether this Empire was going to win the war or not; the only thing in which he gloried was the fact that through the labours and influence of the Government, this Shell Committee had already been able to expend about $150,000,000 of the money of the people of Canada. They had orders for $380,000,000, and they hoped that before the end of the war that they would distribute $500,000,000 among the people. According to the right hon. gentleman's argument, it made no difference to him whether or not the shells were furnished in time to be of any use; all he cared about was that $500,000,000 should be circulated among the people of Canada, so that when the elections come round he and his friends can say: Behold the mighty works which we have done. "It is true," he will say, "that we have done nothing to help win the war; it is true that we have allowed this thing to go on while the Mother Country, France, Russia, and the other Allies were making the proper preparations. It is true," he will say, "that we did not care two straws whether we got the shells in time or not, but look at the money that we have left in Canada: look at the money that our friends have made in Canada." It was truly an ignoble spectacle for the leader of a great party to place himself in a position of that kind before this House and before this country.

4 p.m.

I have just a word to say to my hon. friend the Minister of Militia. I notice that he is absent this afternoon, but I suppose that somebody will represent him. I have charged that there were politics in this thing; I go behind no man's back to say so. I charged it six weeks ago; I charged it on Tuesday; I charge it now. When I asked the Minister of Militia what he had done regarding the Universal Tool Steel Company, he said, with characteristic impetuosity and absolute disregard of the facts: "'I never heard of that company in my life." I said, "Did you not? Look up the correspondence that you had with General Bertram regarding this company on February 18 last, and then tell me whether or not you know anything about this company." The hon. minister himself is not here, and, to show the House that I am not bluffing, I will read the letter I hope that the gentleman who is to follow me has been furnished with a copy of that document, so that he will know whether or not I am giving to the House and to the country the facts as they are. The letter is as follows:

February 18, 1915.

Col. Bertram,
Drummond Building,
Montreal, Que.

Universal Tool Steel Company, Toronto, were verbally given order for 200 000 shells. I am assured heavy financial liability incurred, upwards of $150,000. Financial arrangements cannot favourably be completed until definite written order is given. Please look fully into it and complete at earliest date.

Sam Hughes.

The president of the Universal Tool Steel Company is Sir Donald Mann, of the Canadian Northern Railway Company. I am not allowed—I do not know that I should want to do it if I were allowed—to express my opinion as to the memory or the belief of the Minister of Militia in this matter. But, Sir, we can all do this mentally. I think that if every member of the House should write on a piece of paper his private conclusion in regard to this matter, for once the opinions of hon. gentlemen of the House of Commons would be unanimous.

For fear my hon. friends may say that I am giving them an isolated occurrence, I will direct them to something else. I would advise the gentleman who will follow me to look up a letter written to General Bertram on February 21, 1915, in which he refers to Sir Donald Mann in connection with the Universal Tool Steel Company contract. If that is not sufficient I advise him to refer to a letter written to General Bertram on 16th March, 1915, with reference to the contract of Burgoyne, the grocery man in his own constituency who got a contract and sublet it to the manufacturer. I would advise him to refer to the correspondence regarding the Hepburn contract on the 29th May, 1915, and see how Barney appreciated what the minister had done for him. I would advise him to go a little further and refer to some letters regarding the F. R. Wilford & Company, in his own town, on 29th April, 1915. It is not necessary to go further. I have given my hon. friend sufficient light. I hope he will follow it up and see whether or not the Shell Committee, the Minister of Militia, and the Government have had nothing to do with the looking after of contracts, and whether the Shell Committee was entirely an independent body. While I am on this point, perhaps, I should explain that the contract referred to was a verbal contract for 200,000, which, when reduced to writing, was for only 100,000 high explosive shells.

Now, Sir, there is another matter which the people of this country are considering to some extent; another matter which the members of this House are considering, another matter which the Government of this country are considering and must consider pretty seriously. I have no brief to defend the War Munitions Board. I have never had the pleasure of meeting any member of that board; I think I would know one of them if I met him on the street, but as to the others, I would not know them from any other passers by. I have never spoken to a member of that Board in my lifetime; I have had no arrangement with them whatever. But I have tried during the last three or four months to follow the work of that board, and until I have some evidence of wrongdoing on their part I am going to give them the benefit of the doubt, and say they are all right. We know that since they came into office they have reduced the prices of shells enormously; they have reduced them to $1.65 for the high explosives, and to $1.35 for shrapnel. We know that they have given contracts for the big shells, and that they have reduced the prices far below the prices which obtained before they took office. I do not know exactly what they have done, but I am told they have cancelled a lot of those unconscionable contracts, and if they have done so, I give them credit. I realize that they are bound to a very great extent by the contracts of their predecessors. I realize that they are not now, and probably will not be for several months to come, in a position to do what they would like to do; therefore I withhold judgment. I know one thing which the people of this country are trembling over, and that is the question of whether the Government want to take away the work from the Imperial Munitions Board, and put it into the hands of a Minister of Munitions. I saw the advertisement of a big meeting held in the Massey Hall, Toronto, on Sunday last, to which the people were invited to listen to three Cabinet ministers, and among the ministers were: the Hon. Robert Rogers, Minister of Public Works; Hon. J. D. Reid, Minister of Customs, and Hon. A. E. Kemp, Minister of Munitions. Mr. Speaker, I do sincerely hope that the gentleman who wrote that advertisement was not sufficiently in the confidence of the Government to be able to speak by the book. We have had a sordid experience from a quasi-political committee, and the Lord preserve us from the real article in the form of a political Minister of Munitions in a Tory Government of Canada dealing out Tory patronage, as he would do. May we never live to see such a spectacle as that. No

matter how bad the Shell Committee may have been; no matter how bad the Minister of Militia may be, they could not be within one hundred per cent as bad as a Minister of Munitions looking after these things in the present Tory Government. May we be spared from that infamy, and may the British Empire be spared from that shame and disgrace. I have nothing more to say about that, except this: We do have a suspicion on this side of the House that the Minister of Militia is not going to Florida for his health, that he is not going to Europe in order to visit the firing line. We believe that he is going to Britain in order to induce the British Government, if possible, to disolve the Munitions Board and to give the Government the right to appoint one who shall be called the Minister of Munitions to carry out their nefarious schemes.

Some hon. MEMBERS: Oh, oh.

Mr. CARVELL: There is one other matter at least to which I desire to refer. If I was able to understand the arguments of the right hon. the Prime Minister on Tuesday; in the first place, he said there were no politics in the Shell Committee and I have disposed of that. In the second place, he argued that they had succeeded in distributing money among the manufacturers and labouring people of Canada, regardless of whether the war was being won or not, and that he would be satisfied so long as he got the money distributed and that I have also disposed of; in the third place, he said that the prices in Canada, with one exception, were cheaper than they were in Great Britain and in the United States at the beginning of the war. I do not think it is necessary for me to go into that. Surely even the most pessimistic of my hon. friends opposite are convinced, surely I have convinced every man from the dispatches and documents which I produced, that these statements are not according to the facts. Fourthly, if I understood my right hon. friend rightly, the reason given by him why an investigation should not be granted, was, in substance, that in the middle of the war, it was not the proper time to grant an investigation; that it is not, and that it had not been the custom in Great Britain to do so. To avoid being charged with misrepresenting the actual statements of the Prime Minister I will read his own words from Hansard of March 7, page 1589:

There is another matter which I would like to bring to the attention of the House and the attention of my right hon. friend. It was not during the Boer war, nor has it been during this war, the practice of the British Government to favour or to grant inquiries into such matters during the progress of the war. The subject came up during the Boer war. An inquiry was moved for in the British House of Commons. The question which arose and which had to be determined by the leaders on that occasion was not as to whether an inquiry should be held, because all agreed that an inquiry must be held, but as to whether or not that inquiry should be interjected into the middle of the war, or whether it should form part of a general inquiry into the conduct of the war to take place at its conclusion. This is what Mr. Balfour said on that subject.

Then he read a quotation from Mr. Balfour's speech. You will remember, Sir, that the Right Hon. A. J. Balfour, now First Lord of the Admiralty, was the leader of the Conservative or Unionist Government of that day. The Prime Minister further said:

Mr. Balfour answered that this would form part of the general inquiry to be held at the end of the war.

Sir Wilfrid Laurier: What date is that?

Sir Robert Borden: February 25, 1901. When the war was over and not before, they proceeded with a general inquiry into these matters.

These are the words of the Prime Minister. The Prime Minister also referred to the fact—I will not take the time to read it—that they had sought an investigation in the British House of Commons during the Crimean War and that that also had been refused. First, I am going to give the House the facts regarding what took place during the Crimean War and then I am going to give the facts regarding matters during the South African War.

Mr. BURNHAM: Supposing, which would be a large order, that these allegations were found to be true, and that this Government were turned out of office, would that be advisable at this crisis?

Mr. CARVELL: I know of no greater blessing that could befall Canada. There are evils and evils, Sir, but, in my judgment, the greatest evil that ever befell this country, or any portion of the British Empire, is the present Tory Government, which is mismanaging things during this war. First, I want to give my right hon. friend the Prime Minister a statement of what happened during the Crimean War of 1855 and then a statement of what happened during the Boer War. On Jan. 22, 1855, Mr. J. A. Roebuck, who, I think, was a Canadian, gave notice in the House of Commons that he would move for an inquiry into the state of the army in the

Crimea. In consequence of that notice, Lord John Russell resigned the next day, Jan. 23. On Jan. 27, Mr. Roebuck moved:

That a Select Committee be appointed to inquire into the condition of our army before Sebastopol, and into the conduct of those departments of the Government whose duty it has been to minister to the wants of that Army.

Though opposed by the Government, the motion carried by a majority of 157. The Aberdeen Ministry immediately resigned. Lord Palmerston formed a new Government with little change in its personnel. Speaking of the difficulty of getting witnesses to give evidence Mr. Roebuck said:

I feel corruption about me, but I cannot place my hand on it.

Mr. Roebuck did not make charges, he honestly admitted the difficulty of getting evidence, but he said: I feel corruption about me. Even with a statement of that kind Lord John Russell resigned, the British House of Commons voted for an inquiry two days afterwards and the Government was compelled to resign as well. The report of the committee was published in June, 1855. On July 17, 1855, Mr. Roebuck moved a separate resolution. This resolution, I see, was not granted, but the first resolution was granted, an investigation was held and the committee reported in June, 1855. Was not that an investigation during the war? Did not the Crimean War begin in 1854 and end in 1856, and did this not take place in 1855?

Coming down to South African War, in the early part of the session of 1900—the Government was harassed by questions, speeches, motions, etc., regarding the frauds of contractors and the connivance or incompetency of officials. Bad boots, bad hay, the cordite scandal, and other kindred topics were kept before the House and the country by the Opposition until one of its members succeeded, on Feb. 27th, 1900, in getting the House to pass an order for a return.

Showing (1) the names of contractors who have been struck off the Government list for misconduct in connection with the sending of stores for the use of Her Majesty's Field Force in South Africa; (2) the names of the officers no longer employed by the Government who passed defective stores for the use of Her Majesty's Field Force in South Africa.

Having admitted the wrong-doing, the Government was pressed to grant an inquiry, but it put off a reply on the ground that it was consulting with the law officers as to criminal prosecutions, etc.

The Opposition resumed their tactics, and on March 26, 1900, exacted from Mr. Balfour a promise that the Government would grant a Committee of Inquiry in connection with the army and navy contracts. Finally, on May 1, 1900, the House adopted the following motion:

That a Select Committee be appointed to consider and report upon any allegations of fraud and irregularity in connection with War Office contracts during the last twelve months; that the Committee have power to send for persons, papers, and records; that five be the quorum; that Colonel Denny, Mr. Elliot, Mr. Fairbank, Mr. Houston, Mr. Howell, Mr. Jackson, Mr. Herbert Lewis, Colonel Lockwood, Mr. Lloyd, Mr. McKenna, Mr. Patrick O'Brien, Mr. Paulton, Major Rasch, and Sir Robert Reid be members of the committee.

Mr. Balfour also agreed that the committee might extend its inquiry farther back than twelve months, if it desired to do so.

On August 1, 1900, the committee made its report. It was published as Sessional Paper No. 313 in Volume 9 of the Imperial Commons Papers of 1900. Any man can go to our library, get the document, read it for himself, and see that every statement I am making is borne out by the facts. Among other things, the report stated that it was undesirable that the negotiations for contracts should be conducted personally between members of Parliament and the departmental officials. I wonder what they would have said about the financial transactions of the Minister of Munitions. With these facts before me, I wonder if the hon. member for Calgary (Mr. Bennett) is going to argue that this Parliament ought not to grant an investigation. I wonder if the hon. member for Calgary will take the trouble to look into these matters and see if my citations are correct. I wonder if, with this staring him in the face, he will take the ground that there should not be an investigation because it has not been the practice in the Imperial Parliament. I do not believe that all the hon. gentlemen on the other side of the House want to put the lid on and to keep it there. I believe that the great majority of our Conservative friends would like to see the affairs of this country run honestly and uprightly; I believe that they would like to see this war won just as well as we would, and if they do they will only have to assert their independence, force the Government to obey public opinion, and see that this matter is given attention and that it is thoroughly investigated. Under the actual condition of affairs there can only be one possible

result of doing what was done in 1855, and that is that the Government will have to resign. Would that be an unmixed evil? Can you imagine any greater benefit that could be conferred upon the people of Canada under present conditions than that that should happen? Turn the light of day upon these transactions, and there can simply be one result, and that is the result which I have just referred to.

I have taken a little more time than I intended to, but I want for a moment to summarize very briefly the salient points of the situation as it stands to-day. My honoured leader has asked this House to grant a committee to investigate the conduct of the Shell Committee in carrying on the business transactions entrusted to it since the beginning of the war in 1914. The Prime Minister refuses that, because he says it is not in the interest of the public that these matters should be investigated during the war, and it is not following the precedent laid down in Great Britain during the Crimean War and the Boer War of 1899-1902. If you accept the truthfulness of the citations which I have just read, you will see that they absolutely shatter the last contention and common sense, decency and the ambition for honest Government in Canada absolutely shatter the former contention. Because something happened ten years ago, or fifty years ago, is not a good reason why, under another condition of affairs, we should not investigate things here to-day. Are we always to be tied to the apron-strings of somebody, have we no initiative, have we not the right to investigate our own affairs because in past days somebody has done something else? Surely the Conservative party can furnish some better argument than that, in order to show that there ought not to be an investigation into these transactions. Then, I promised you, Mr. Speaker, that I would try and give you some additional reasons why this committee should be granted.

I have now for something like three or four hours been labouring to show these reasons, and as I have watched the faces of hon. gentlemen opposite during that time I have seen that they are convinced that there ought to be an investigation. It is all very well for the Premier to turn his back on members of this House, and appeal to his followers to stand behind him and vote down this resolution, in order to keep the lid on, and keep the country in the dark. They may support him, but the people of this country want more than that, and they will get more than that the first time they have an opportunity of telling the Prime Minister so. The right. hon. gentleman has had a few reminders in the last few weeks; he had a reminder in the county of Peel a week or two ago, and, more recently, in the city of Vancouver, and less than a week ago, in the city of Victoria. But I am not going into that. I tell you, Mr. Speaker, the biggest thing before the people of Canada to-day, outside of the winning of this war, is the conduct of the Shell Committee, and the conduct of this Government in placing the Canadian soldiers in a position in which they cannot help in the winning of this war.

I have shown that the Shell Committee gave orders to themselves. The Bertram Company got business to the extent of $1,339,000 in manufacturing shrapnel shells at an average price of $3.50 each, when to-day manufacturers are tumbling over themselves to get contracts at $1.75. I have shown that the Shell Committee had given contracts to the Chapman Engine & Manufacturing Company (which is a subsidiary company of the Bertram Company), for machinery and assembling the ordinary 18-pounder shell, and one-third of these shells were to be supplied at $5.70, and the other two-thirds at $4; and those 18-pounder shells are being produced by the million to-day at $1.75 each. I have shown that the Shell Committee had given contracts for boxes to another subsidiary company, the Valley City Seating Company, amounting to $230,000 at prices away above and beyond the prices that are being paid for the same article to-day. I have shown that the Universal Tool Steel Company (the company of which the Minister of Militia had never heard in his life), had received contracts for $1,735,000; a company with which was connected Mr. Watts, a member of the Munitions Board. I want to say here that probably Mr. Watts had nothing like as much to do with these transactions as Bertram and Carnegie. However, he is a member of the Board. I have shown that this company got $850,000 worth of contracts for 18-pounder high explosives at an average price of $4.40, when to-day, the same article is being made for $1.75. I have shown that the Electric Steel and Metals Company, with which was connected Mr. Carnegie, another member of the board, had received contracts for $1,885,000 worth of business, at prices three and four times the prices that is being charged to-day for the same article. I have shown that the Nova Scotia Steel Company had received contracts for

something over $15,000,000 from the Shell Committee. I admitted that many of the articles this company was furnishing were things that they should have furnished, and were in a position to furnish, but I claimed that the prices were too great, and I gave two specific instances: one in the month of February, 1915, and the other in the month of May, 1915. Just here let me say that I am always glad to throw light upon a subject when I am able to. Since I discussed this matter before, I have learned that Mr. Cantley was in England at the time these contracts were let, and that he personally had nothing to do with the awarding of the contracts. They were given out by the committee, and it has been stated time and again that Bertram gave out the contracts himself. As I said, these contracts were given on the 15th of May, and the 15th of May seems to have been a regular clearing-house day for the old Shell Committee. On the 15th of May, 1915, Bertram and Sons got an order for 100,000 18-pounder shrapnels at $3.15, and 100,000 high explosives at $4. On the same day the Chapman Engine and Manufacturing Company, a subsidiary company of the Bertram Company, got a contract for 35,000 high explosives at $4 each. On the same 15th of May, the Universal Tool Steel Company got a contract for 20,000 18-pounder high explosives at $4. On the same 15th of May the Electric Steel and Metals Company got a contract for 35,000 18-pounder high explosives at $4. On the same 15th of May the Nova Scotia Steel Company got a contract for machining 50,000 4.5's at $6 each. In addition to that, I have shown that a company controlled and managed by a member of this Government sold to the Shell Committee over $300,000 worth of goods.

As to prices, I have shown that every statement made by the Minister of Militia, and the conclusions drawn therefrom by the Prime Minister, are entirely void of any foundation in fact. I have shown that the Minister of Militia claimed that when the war broke out the experts of the Department decided that $8.55 was a reasonable price for manufacturing 18-pounder shrapnels. The minister stated that that was cheaper than they could be bought for in England at that time; but I have proven by his own records, that a few months before he himself had bought 18-pounder shrapnels in England, not for $8.55, but for $3.15 each. I have shown where the minister stated that at the beginning of the war the 18-pounder shrapnel shell cost $10.33 in England and that in Canada it was purchased at a much lower price, when, as a matter of fact, the first shell produced in Canada cost $13.37. I have shown where he said that the 4.5 shell was purchased for $7.35, and the first price of the Canadian shell was $9.80, which, he said, was lower than the price in England. I have proved by his own documents that only a few months before the war broke out he bought those articles for $2.65 each.

In the face of such facts, in the face of the proofs that I have given, I ask my right hon. friend the Prime Minister if he does not now think that sufficient information has been given to make him change his mind. In the face of the fact that his Minister of Militia, the man who has been advising him, the man who, he says, is responsible for the whole transaction, the man who stands as father and godfather to the Shell Committee, the man who says he is proud of it, the man who gave us the incorrect figures, has not the hardihood to come here and answer these allegations and charges, does my right hon. friend not think there is sufficient justification now for him to change his mind, and grant this investigation, and let the people of Canada learn the truth in regard to these transactions? The conduct of the Shell Committee, the conduct of the Minister of Militia, the conduct of the Government of Canada during the last year and a half has shown that the question has not been whether or not we are going to play our part in winning this war, but how much political and business capital the Government can make out of it from one end of the country to the other. It has been a question of whether or not they can strengthen themselves here or there. It is known that, when a delegation from British Columbia came to Ottawa, they told the Prime Minister there would be the very dickens to pay in British Columbia if they did not get an order. They got the order; but it did not do any good politically, and it has not done any good from a military standpoint, because hardly a shell has been delivered.

The Prime Minister has defended these transactions; he has known of the condition of affairs in New Glasgow; he has permitted men, who sent condemned shells back the second time, to go on manufacturing shells. There is no protest from him against such an occurrence. I ask him again, in the face

of all this additional information, does he want to assist in this war or does he want to play the game of politics? Is he willing, at this date after the war has been in progress for a year and a half and not a solitary completed shell produced, to turn over a new leaf and try to do something better? What has he accomplished so far? He has not produced, in the whole year and a half since the war commenced, as much munitions as were used by the German army during the first four days' battle before the forts of Verdun, and not a single Canadian shell could have been used in any of the conflicts unless the British Government furnished the fuse, which is really the important part of the shell. When one considers these things in the broad light of day, one is driven to ask the question which I have just asked of the Premier, and it is up to the Premier and the Conservative party of Canada to answer the question, either in the affirmative or in the negative.

I am not in tne habit of reading newspaper clippings, and my right hon. friend severely castigated my right hon. leader for doing so, but even at the risk of a lecture from the gentleman who, I presume, will follow me, I am going to take the liberty of placing upon Hansard an editorial which appears in this morning's Citizen and which expresses the true condition of affairs much better than I can.

Mr. R. B. BENNETT: There is one in the Free Press to-night on my hon. friend.

Mr. CARVELL: This article in the Citizen is headed, "The Shell Profiteering," and goes on to say:

> By refusing an inquiry and defending the Canadian shell profiteering, the Government is lending itself to the internal enemies of the nation and the Empire. Nowhere in the history of Canada has there been a more disgraceful and unpatriotic orgy of greed and revolting indifference to human suffering than in this profiteering out of the nation's agony.
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> Canadian soldiers, for lack of shells, were compelled to hold positions and be mangled and torn and maimed by Germany's artillery and poisonous clouds and flame projectors. While the brave men stood with only their rifles to reply to German terrorism; groups of shell profiteering interests safe at home were wading in the fat of war contracting, and Government shops were being kept in idleness lest they should cause the profiteering game to come to an end by increasing the output of shells and reducing the prices thereby.
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> It is no defence to say, as the Dominion Government is trying to make out, that in some instances higher prices were paid in the United States or in Britain than in Canada. Some Canadian profiteering interests, with high-sounding patriotic names too, condemn themselves in their own stock boosting circulars. They boast of supplying shell work at a rate of $380,000 when it cost only $180,000, including all expenses, to produce. At such a rate, plainly, the British armies were getting only 100,000 shells where they might have been supplied with 200,000 . . . and still have left a fat surplus for profiteering interests.
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> What if profiteering did take place in the United States and Britain too? Is Germany excused for the Lusitania crime, because evidence is produced to show that Austria or Turkey committed similar crimes in the Mediterranean? Furthermore there is this difference between the position of national leaders in Canada and in Britain. Profiteering has been roundly condemned by leading public men in Britain. What responsible Canadian public man has expressed himself as the chairman of the Steel Company of Scotland, and other men with ideas above the service of greed, have done? What Dominion minister has spoken out from the treasury bench, as Mr. Bonar Law did in the British Parliament, against the rapacity of the war contractors?
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> What effort has the Federal Government of Canada made, as the Governments of the Motherland and the Commonwealth and states of Australia and other parts of the King's dominions are making, to apply the principle of national service to the munitions industry? Has the Dominion Government done anything but oppose national service in shell making lest it should interfere with private profiteering?
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> This is its proud record. While Canada's men were bleeding on the fields of Flanders, Sir Robert Borden delivered a brave oration in London, saying what Canada would do: "The whole power of the nation must be consecrated to the task." Invited by the British authorities to begin consecrating the power of the nation by organizing the National Transcontinental railway shops for national service, the Dominion Government at first consented. Then after being publicly thanked in Montreal by Mr. Lloyd George's representative, Canada's Government failed to live up to its word. Instead of the whole power of the nation being consecrated to the task, the only national shop in use is one placed at the disposal of one more private profiteering group . . . so private that the country is not even told the names of the profiteers in possession at Transcona.
>
> So, the Dominion Government has chosen. Shell profiteering is to be defended and shielded by the responsible leaders in the Federal House of Commons. The whole power of the nation, and all its flowing oratory and sophistry is to be consecrated to the task of defending war loot. But does the Dominion Government truly represent the spirit of the Canadian people?

Sir, that is the question I ask. Does the attitude of the Canadian Government to-day truly represent the spirit of the Canadian people? If this thing was all right, why is the old Shell Committee not at work to-day? What sent Mr. Lloyd George's representative over here in the month of July, 1915, if the British Government were satisfied with the condition of affairs on that date? If this Shell Committee was acting honestly and uprightly and above board, and if this Government was doing its whole duty, do you suppose that Mr. Thomas would have been sent over here? When he came to Ottawa, did he not have-

a delicate mission to perform? Can you imagine a man handling a delicate subject with greater diplomacy than did Mr. Thomas? He had to say in effect to the Government of Canada: "The committee that you have appointed have fallen down; they have not been straight and honest with the Government; they have charged two prices for shells and everything else, and the British Government must kick them out. We want to do it as politely and decently as possible and with the greatest diplomacy." He remained here for three months, and before he went away they were kicked out. Now, what is the use of asking why they were kicked out? What is the use of the Prime Minister reading extracts from letters written to him by somebody whose name he does not give? What is the use of reading extracts from letters which Mr. Hichens wrote to him? Mr. Hichens is not the people of Canada; he does not pay a cent of taxes here, nor does he represent one Canadian voter. Would you expect a representative of the Imperial Government to come here to a government to whom they are looking for favours, whom they are asking to do their duty in carrying on this war to a successful conclusion, and say: "You are a gang of crooks and I am going to put these men out?" Men in high positions do not say such things. But these men were put out just the same. There is no use in trying to argue the thing away, no use in the Prime Mininster reading long extracts from documents, no use in sophistry. The facts are: Mr. Thomas came; Mr. Thomas saw; and the Shell Committee was conquered. That is all there was to it. And the new commission are now in their places, a commission that, I know, is doing infinitely better than the old committee did, a commission which, I hope, will continue to carry on the good work. All I have to say, in conclusion, is this: If the Government will not grant a commission, and will not allow the people of Canada to learn the inside facts of the transactions of this Shell Committee, this political organization of theirs, then, in the name of Heaven, let them keep their unholy hands off the present Imperial Munitions Board.

Mr. R. B. BENNETT (Calgary): Mr. Speaker, I rise with some diffidence to address the House at this time. I believe that the part of an ordinary member in this great crisis of our country is to assist by kindly suggestion those whose position places upon them the greatest responsibility that has ever fallen to the lot of statesmen in this Dominion. I cannot for a single moment believe that the discussion which has taken place can assist in any way towards winning the great war in which we are engaged. When I listened to the hon. member for Carleton (Mr. Carvell)—I say it frankly—I was tempted to reply in kind. But I conceive that I have a larger duty and a greater responsibility; and, although I may do it poorly, I hope to be able to discharge that responsibility in a somewhat different manner from that in which the hon. member has discharged what he believes to be his. I do not usually quote from newspapers, but I am content to leave it to the Ottawa Free Press of this evening to summarize the speech of the hon. member for Carleton. I do not think that any other language could more fitly describe it:

> The speech of Mr. Carvell was of the kind which in recent years have become a habit with him. "We are not making charges against the Government," he said, adding, "no one is saying, either, that any member of the Shell Committee stole anything." Yet, in the next breath, he made the amazing assertion that "the whole trend of the Prime Minister's speech had been that the prime object of the Shell Committee was the distribution of patronage," and that "the members of the Shell Committee had placed enormous orders with themselves at exorbitant prices, and to keep the prices up for themselves they had to give these same prices to all other companies which got contracts."
>
> Mr. Carvell has become a past master in the art of using half truths to make them appear as gospel; but this game, when long continued, grows tiresome, and achieves its own undoing. A comparison of the speeches of Sir Wilfrid Laurier and Mr. Carvell on the same day tempts one to remark that "fools step in where angels fear to tread." If indulgence in reckless and irresponsible condemnation of opponents is an essential to political partisanship, there are not wanting tens of thousands of Canadians, especially just now, who will pray to be freed from political partisanship. Liberalism as expounded by a Carvell in indeed a fearsome thing.

Mr. MACDONALD: Will the hon. gentleman read what the same editorial has to say about the Prime Minister?

Mr. BENNETT: I leave that delightful task to the hon. member for Pictou (Mr. Macdonald), who seems to have been able, since Tuesday evening, to induce his hon. friend from Carleton to believe that Mr. Thomas Cantley's hands at least are clean. For it will be noticed that while on Tuesday Mr. Thomas Cantley was worthy of condemnation for awarding orders to himself, to-day the hon. member has learned that Mr. Thomas Cantley was in England. I hope he has not overlooked that fact.

Mr. MACDONALD: The hon. gentleman need not avoid the question. I asked the hon. member if he would read from the same editorial what is said about the Prime Minister.

Mr. BENNETT: I am delighted to see such a manifestation of temper on the part of the hon. member; it is always amusing and sometimes interesting.

I leave the remarks of the hon. member for Carleton at that, except for one further observation. He has stated that it would be a good thing for Canada if the Government could be changed at this time. I do not believe that the Liberalism of the province in which I reside is represented by an observation such as that. The thousands of young Canadians who have left Alberta, Saskatchewan, and Manitoba to fight for this Empire at this time are not actuated by political motives, and not concerned about what party is in power, but they are infinitely concerned about the conduct of the war and the success of our arms on the plains of France and Flanders. It ill becomes any man to talk about a political truce with one breath, and to talk of the defeat of the Government with another. I do not believe that the genius of Liberalism is reflected by such arrant hypocrisy; I do not believe that such cant adequately expresses the mind of the Canadian people, or of Liberalism, or of the members of the Liberal party throughout Canada. But I do believe that, east, west, north, and south respectable, sober-minded Liberals, whose opinions are not voiced by the scavenging observations of the member for Carleton, believe that our first duty, our paramount duty, our prayerful duty, is to see that this war is carried to a successful conclusion. But when men prate and talk about political "truce" and "neutrality," and then give voice to observations and sentiments such as those expressed by the hon. member for Carleton, it is no wonder that you read editorials such as that in the Ottawa Free Press; it is no wonder that people are praying to be delivered from such hypocrisy and cant as characterizes the observations of that hon. gentleman.

I desire to direct the attention of the House for a few moments to the official attitude of the Liberal party as distinguished from what may be called its semi-official attitude as shown in the remarks of the hon. member for Carleton. I am not one of those who believe that it is impossible for Liberalism to share with us

the responsibilities and the burdens of this war. I have seen enough of the war to be impressed with it as the most serious and solemn thing that a man ever thought about. Nothing has ever made a like impression on my mind; nothing, I believe, will ever make such an impression on my mind.

On August 19 last, the right hon. leader of the Opposition, from his seat in this House, said:

> Speaking for those who sit around me, speaking for the wide constituencies which we represent in this House, I hasten to say that to all these measures we are prepared to give immediate assent. If in what has been done or in what remains to be done there may be anything which in our judgment should not be done or should be differently done, we raise no question, we take no exception, we offer no criticism, and we shall offer no criticism so long as there is danger at the front.

Sir, since this debate commenced, at least 1,000 women have become widows; 10,000 children have become orphans, and before the fortresses of Verdun the greatest danger that has menaced the French Republic since the battle of the Marne, is now imminent. The danger at the front that the right hon. gentleman spoke of is still with us. I ask him, as a great patriot, as one with wide knowledge of our constitution, and having behind him the longest political history of any man who sits in this House, once more to assert that wholesome doctrine, that great truth which he upheld when on August 19, 1914, he made those observations.

I go further. When in December of that year the right hon. gentleman spoke before the Montreal Reform Club, he used these words:

> As soon as war was declared we thought it was part of the duty we owed, not only to our policy, but also to our country, to lay down, for the time being, all party discussions, and to give our whole thought and energy to the new problems which were brought by the war, and not in any way embarass the Government, but on the contrary to facilitate its duty which this new situation created for the Government.

Noble language, lofty sentiments, high ideals of great responsibilities and of splendid patriotism. But how are they being carried out this day by the party that sits opposite? In view of the fact that thousands of men are laying down their lives to-day for the cause of liberty, I ask whether or not hon. gentlemen opposite are endeavouring to embarrass the hands of this Government by the "piffle" they are talking—no other word adequately describes the language of hon. gentlemen opposite.

The right hon. leader of the Opposition, speaking before the Ontario Federation of Liberal Clubs on May 21st last, said:

> Let the Prime Minister and his colleagues say that there shall be no election as long as the war shall go on, and I will pledge myself and the party, that we shall stop all preparations and think of nothing but the war.

An hon. MEMBER: Hear, hear.

Mr. BENNETT: The hon. gentleman says, "Hear, hear," while from the basement of this building tons of political literature are to-day being sent throughout Canada by the Liberal party organization. Already this session 4,000 columns of Hansard have been filled with the bitterest attacks that have been levelled against any Administration since Confederation; the most virulent and violent attacks that, I think, you will find in the pages of any Hansard. Night after night, day after day; in the Address in reply to the speech from the Throne, in the Budget; attack after attack against the Government, the whole forces of Liberalism, with many noteworthy exceptions, have been hurled against this Administration. Then this party ammunition is being sent out to the electors, and for what purpose? It is designed to endeavour to solidify plastic public opinion against this Administration, while the Administration, all through the day, all through the long watches of night, is endeavouring to fight the Huns. While we are being fought from within, the foe is still without. While this Administration is night and day striving to meet the great difficulties that have arisen by reason of this war; while men are assuming responsibilities as large as ever fell to the lot of men, hon. gentlemen opposite are sending out literature, charging, by half-truths and idle insinuations, that the trusted servants of the people are derelict to their trust and guilty of the highest crimes and misdemeanors. Is that a party truce? Is that the kind of truce of which hon. gentlemen opposite speak? Is that the kind of assistance that the right hon. leader of the Opposition purposes to give to the Government of the day? Is that the method he would employ to avoid embarassing the Government? Is that what high-minded statecraft and noble patriotism inspires in any man? I leave the problem with the people of this great Dominion. I believe that at this time the people are not interested in the differences between Conservatives and Liberals. Speaking for the community in which I reside, and the province in which I make my home, I say that men whether they be Liberals or Conservatives have forgotten the signs and nomenclature of partyism. I wish I could visualize to this House the situation as I see it. No language that I can use would picture the gravity of the situation as it appears to me; no words by which I am capable of giving expression to the thought that is in my mind could for one moment present the picture as I see it. We idly discuss fiscal questions, while the real problem is whether it will be in our power when the war is over to determine what our fiscal policy shall be. We talk of woman's franchise; how do we know that the Parliament that sits here will be the Parliament of a British people? We waste our time in dealing with questions upon the Order Paper, resolutions here and there, asking something to embarrass an individual or a minister while, Sir, these ministers may not be the ministers of the Crown of Britain to-morrow.

Mr. PUGSLEY: Have no fear on that point.

Mr. BENNETT: I have no fear of the ultimate end of this great war, but I am concerned as I have never been concerned about anything in my life as to what may happen before that great end is achieved. What is going on in France to-

5 p.m. day? A few months ago I saw Paris in black, as I had never seen black before. I saw the women of France working in the fields tilling the soil, while their fathers, their sons, and their husbands were doing battle in the trenches. I saw 5,000 French horse, foot and artillery march by, going to face death. I saw 4,000 of the very best of my fellow-Canadians salute the Prime Minister of Canada as they went by in the dusk to the trenches. And when I think of the multiplication of the loss to the state of the men that are dying, of the blood that is being spilled, of the economic waste that is going on; when I see the best men of the Empire being drained from it; when I see the population of the province in which I live being lessened day after day by the departure of men who are so willingly, so gladly, so nobly, so patriotically giving their services for the cause of freedom, I ask myself: where will it end? Sir, we may win a great war, and we may lose an Empire. The discussions the dissensions, the talk such as went on to-day from the hon. member for Carleton (Mr. Carvell)—are the things that bring about that very end. He talked to-day in

this House about the war that we were asked to go into, or coaxed to go into. Sir, this is as much a war of the Canadian people as it is of those who live in the city of London or in the city of Paris.

Mr. CARVELL: I made no statement that we were asked or coaxed to go into this war. My hon. friend certainly misunderstood me, because I made no such statement; I think he ought to withdraw the remark.

Mr. BENNETT: If the hon. gentleman did not say it, Hansard will properly indicate what he did say. My understanding of it was that he said we were asked to go into this war.

Mr. CARVELL: I never said such a thing.

Mr. BENNETT: If I thought that I had done my hon. friend an injustice, I should certainly not hesitate to withdraw the remark.

Mr. CARVELL: I made no such statement; on the contrary, I said that it was our duty to go into this war, and to help win it.

Mr. BENNETT: And it is. I should like to make it clear that according to my conception of the situation, there are three lines of defence for Canada. The first line of defence lies out yonder at Verdun; the second line of defence is with the reserves at Shorncliffe and Bramshott; the third line of defence is the reserves in the training camps throughout this Dominion. And just as surely as the freedom and liberty of the men of France and Belgium are at stake, it is my profound conviction that my liberty and my freedom, the institutions under which I live, and the civilization that has been created by the races to which we belong are at issue right here in Canada. When I speak of the noble sentiments of my right hon. friend (Sir Wilfrid Laurier), I know it was not easy for him, or for those who support him, to express those views. It is not easy for a man holding different views from the Government, having intense political convictions in a democracy such as this, to readily give utterance to those noble sentiments, for they were noble sentiments; they breathed the spirit of the purest patriotism; they are the very noblest and highest sentiments that man can hold. I repeat: it was not easy. During the long years in which he has done so much to shape the public thought and opinion of this Dominion, from his youth up, my right hon friend has held a political philosophy that looked, ultimately perhaps to that theory of the great French philosopher who saw in this Dominion a land of new republics or independent states. It was a view that men might properly hold, and yet, with the first blast of war, so spontaneous and general was the response of a great people to the cry of the Empire, to the sob of the mother overseas, that my right hon. friend recast for himself, and for those who sit about him, his political creed and political faith, and declared, as I expected, and, in fact, knew he would: that it was the duty of all men who called themselves Canadians to associate themselves at such a time with the Government, and to do their part in preserving our civilization. It was not easy, I say, to discharge the duty which in such a magnificent manner he discharged for himself and his party.

Let us go a step further, and see what we have now. I cannot possibly think for a single moment that the speech of the hon. member (Mr. Carvell) reflects the opinion or the spirit of the right hon. gentleman (Sir Wilfrid Laurier). By his long and patriotic history, by his long and noble career, I do in all seriousness appeal to the right hon. gentleman to say again in this House that he is content—for the reasons which have been urged upon him so strongly by the Prime Minister in no acriminious or partisan spirit—to say what he would have done in this crisis had he been Prime Minister. I feel absolutely certain that he would say to this House, as he said when the comparatively trifling war in South Africa was on: we can wait a bit for the consideration of comparatively petty things. He would use more graceful language, but that the substance of it would be: we can wait a bit, there is surely no hurry to hold up to shame and execration the names of our fellow Canadians who are suspected by political antagonists of doing wrong. I trust he is not one of those who rejoice in the vilification of his fellows and in the slander of Canadians; I trust that that is reserved for the hon. gentleman from Carleton (Mr. Carvell). Sir, I believe the right hon. gentleman had he been Prime Minister, would have said that when this war is over, great problems must arise for solution; that there must be inquiry into the whole conduct of the war, whether it affects the Australians in Gallipoli, the Canadians at Ypres, the British at Mons,

or the French on the Marne; that there must be by all the Governments, who are taking part in this war, official inquiry that will take cognizance of every action, of the general conduct of affairs, whether in the field or in the office, whether in regard to administrative or to operative affairs. I believe he would say that with the end of the war must come great constitutional changes, a new status for Canadians, for Australians, for New Zealanders, equality of citizenship under the flag, great social and economic problems to engage the best attention of the best minds of this Empire. I feel that that is what my right hon. friend would have said, and gladly said, if he were Prime Minister to-day, and I am certain it is what his followers should join with him in saying: Wait until this war is over, and then we will take stock of all the charges made against individuals and companies, and we will punish them as they deserve.

There has never been a war since the earliest days, in which there were not men who took advantage of their country's necessities to improve their own opportunities. It has been so in the past, and it will always be so. I recall that in the reign of Queen Anne one of the great commanders in chief of the British forces was not beyond doing business for himself at the expense of the public. The military genius of that man made him one of the great men of history, and yet he took advantage of his country's necessities to promote his own financial advancement. It has always been so, and I suppose it will continue to be so. What I suggest is, that had my right hon. friend (Sir Wilfrid Laurier) been leading this House, he would have said: I do not propose at this juncture to enter into inquiries, but I will leave them, quoting the words of Mr. Asquith and Mr. Balfour in the Boer war: until the war is substantially over, until by the proper perspective we can understand the situation, punish where crimes have been committed, and give reward and praise where men have nobly discharged their duties. And, I say, that there are in this Dominion to-day poor men and women who have not been sparing in their activities, and who have honourably discharged duties to the state, without receiving recognition or reward. Think of what men and women have done, think of what mothers have done in giving their sons freely, of what fathers have done, pinching and paring in order to give to the Patriotic and Red Cross funds. We will take more stock of all these things after the war is over. I am not defending the Shell Committee, I am not attacking it; but I am going to make the argument that this is not the opportune time to have an inquiry of this character, and I am going to give reasons, in the light of the experience which I gained the last time I was across the Atlantic. I shall conclusively show to this House that at least one investigation that has been carried on since the war began did not good to the Canadian people, but on the contrary did them incalculable injury.

Some hon. gentlemen opposite speak of ministers of the Crown as though they lived on a bed of roses. Does any man, for a single moment, think that the duties and responsibilities that have devolved upon the Prime Minister since the war began are lightly to be undertaken or easily to be discharged? I have had many differences with the Minister of Militia, but I do say that no man has more energetically or tirelessly discharged the duties of his office than General Sir Sam Hughes. He has been attacked by men who may have had some reason for their attack, but I say, whatever may have been his faults, that he at least has been a dynamo of human energy, and he has been able, by reason of his great and tireless energy, to accomplish that which men of calmer minds, of more equable temperament and less energy, might have failed to accomplish. I state that publicly in this House, because I think it is fairly due to him.

Does this House forget what took place last year? Does this House remember that my right hon. friend the Prime Minister, in the midst of the war, discharged what I believe was the most painful duty that ever fell to the lot of a Prime Minister in Canada? Name me an occasion during fifteen years of piping times of peace when any such duty was discharged by the predecessor of Sir Robert Borden in the office of Prime Minister. Be it an Arctic expedition, a Yukon scandal, a failure to give Parliament the names of the shareholders of the North Atlantic Trading Company, stolen ballots enabling a man to sit in this House who had no right to sit here, or timber scandals, was any punishment ever meted out to those who were guilty? Yet, in the midst of this war, the Prime Minister performed the most painful duty that, in my judgment, ever fell to the lot of a Prime Minister of Canada. And he did it because it was in

keeping with what he thought it was right to do, and it was in line with the principles expressed by him, that if it was suggested that a crime or fraud had been committed, it was his duty to see that this crime was exposed and punishment meted out. If there is one thing more than another, which places the Prime Minister high in the estimation of this House and of the country, it is the part my right hon. friend took, when, regardless of feeling, of sentiment, of all those ties that bind party leaders to their followers, he stood out as the great Canadian that he is, and declared that there would be no graft or corruption within his party during this war. If, there is one thing more than another which will always be a matter of pride to me, it is not the noble achivements of our Canadians upon the field of battle—I knew they would acquit themselves well—but the fact that at this time we have at the head of the Government a man of sufficient moral character and force to stand in his place and repudiate two of his followers, a thing that has never been done before in the Canadian Parliament. I commend the Prime Minister's high conception of duty, as being worthy to rank alongside the achievements of our brave Canadians on the battlefield.

Mr. PROULX: Does the hon. gentleman not think that it might be possible that he sacrificed his followers in order to save the head of the Government?

Mr. BENNETT: The hon. gentleman suggests that possibly the high-minded action of the Prime Minister was taken for the purpose of saving himself, but I have not seen any evidence of cowardice upon the part of the Prime Minister in dealing with questions of this kind. Possibly the hon. gentleman had in mind an episode that happened in his own county of Prescott, and possibly he thought that Mr. Rowell did something of a like kind for the purpose of saving his own head.

May I now point out that as Canadians we have taken part in this war voluntarily and gladly. I am not here to-day to speak of the part that our noble Canadians have taken upon the battlefield. Some of them will unfortunately return no more, but their memories will be blessed down through the years, and their example will lead men to nobler thoughts and higher ideals of public service and public life. I heard it from the lips of the great Commander in Chief of the French Forces, I heard it from every one who was present to judge, that Canada had saved the day in that great battle that took place nearly a year ago, nor is there question as to the noble achievements of our fellow British subjects from Australia. Gallipoli will live as long as history is written and read. What was done by the Guards division will ever live in the traditions of the British service as the embodiment of all that is glorious. We Canadians are sharers in that glory; we are participants in these great achievements.

But, Sir, there is another ground upon which I should like to consider the position of Canadians. What has been our attitude in relation to finance, internal development, and the conduct of the war from the standpoint of administration? Have we less cause to be proud in the one case than in the other? We raised a great internal loan, twice what was asked; and we are now financing the operations of the British Government and stabilizing and adjusting exchange. We have been enabled by an appropriate campaign in reference to production, to ensure the largest crop that has ever been reaped by the tillers of the soil; we have been able to keep our people fairly employed, but more, we have been enabled to show an adaptability, and a skill in invention and achievement, which have challenged the admiration of our Allies, and I doubt not of the enemy as well. I should like this House to understand the greatness of these achievements. I did not realize how great they were until I heard men, who were competent to express an opinion, pay tribute to Canada. It is not a question of munitions alone. It is a question of wheat, of coal, of flour, of barley, of oats, of hay—it is the great question of the production of all those things that make possible the successful carrying on of the war. This House little realizes that after the war broke out the British Government was confronted with a startling shortage of munitions. Our heavy artillery, even obsolete artillery, rifles, even obsolete rifles, were sent across the Atlantic with all speed and haste. Then what followed? England said to Canada: Can you get us 200,000 shells, 100,000 18-pounders and 100,000 15-pounders. They were told we could do it. They said: Get them for us, get them in the United States, get them somewhere, we do not know where you will get them. Then, that spirit of enterprise, that spirit of pride, that spirit of patriotism that manifests itself equally in achievements in times of peace as in war, asserted itself and the Canadian people

said: we will not only produce you 200,000 18-pounder and 15-pounder shells, but we will undertake to produce ammunition on a large scale to enable this war to be carried on with munitions produced within our own Empire. This was the idea of Major General Sir Sam Hughes. You may condemn him; you may not agree with him, but when the authorities in Great Britain realized that they were confronted with a practical difficulty, he rose to the occasion and he said: We will not get this ammunition outside of this country, we will get it right in this Dominion, and you will get not only what you want but so much more that you will be surprised. In December last I was in England and I made it my business to get information at first hand both from Ministers of the Crown and from the head of the High Explosives Committee a gentleman who, as all the members of my profession know, left his place in the Privy Council, and at the direct invitation of the Prime Minister of Great Britain gave his attention, as the supreme authority upon chemistry to the production of high explosives. I refer to Lord Moulton. I was told that Canada had so far exceeded the expectations of the British people as to cause them to wonder whether or not we really made these munitions in Canada. I was proud then of being a Canadian, I was proud of our achievements industrially as I had been proud of the part that Canadians had taken upon the field of battle. Let us view calmly, and not as bitter partisans, what was done.

My right hon. friend the leader of the Opposition on Tuesday last read from the speech of Earl Curzon, Lord Privy Seal, as to what our position was in the matter. I shall not trouble the House by reading it but I shall summarize what he said. He said: "We made the Canadian Government our agents to name a committee to buy munitions; we asked the Canadian Government to name a committee to buy munitions for us; the Canadian Government acceded to the request and gave the British Government certain names."

Did it ever occur to this House that the Hudson Bay Company is the purchasing agent in Canada for the French republic, and that since the war began the Canadian Pacific has purchased no inconsiderable quantity of supplies for the British Government? The Hudson Bay Company has also made considerable purchases for the Russian Government, and, to a more limited extent, for the Italian Government. I do not know, but I doubt not that before the Hudson Bay Company was named, inquiry was made of this Government through the Embassy in London as to whether the Hudson Bay Company was a reputable firm, and that the answer was given in the affirmative. In the case of the Shell Committee the British Government—not knowing Canadians and being unable to tell whether Mr. So and So would be able to do such and such a thing—said to the Canadian Government: "Give us the names of a committee that will serve for this purpose." The leader of the Government, with his Minister of Militia and the Cabinet, said: "We know six, or seven, or ten men of great repute and experience who will admirably suit your purpose." And they named General Bertram, Mr. Carnegie, Mr. Watts, Mr. Cantley—and will the hon. member for Pictou say that his appointment was not a wise one—and other gentlemen; it is not necessary for me to go over the whole list. The British Government said: "We assume that, when you put your imprimatur upon these men, they are fit for the purpose." And so the business was conducted by these gentlemen, in the manner that has been described. Now, that is exactly what happened with reference to the French republic, only that they named the Hudson Bay Company.

Mr. PUGSLEY: Does my hon. friend suggest that the members of the Shell Committee became the appointees of the British Government?

Mr. BENNETT: Absolutely.

Mr. PUGSLEY: When they were called on to resign then, why did they resign to the Minister of Militia and not to the British Government?

Mr. BENNETT: The reason is easily given, and Mr. Hichens gave the reason in his letter. The Minister of Militia was the person responsible in the first instance for the appointment of these gentlemen, and naturally they turned in their resignations to the same source. In other words, the Minister of Militia said to General Bertram: "I have named you, and you now become an official of the British Government." The cable that the hon. member for Carleton read distinctly and positively indicates that the committee was acting for the British Government. I may as well read it again. It is found on page 1598 of Hansard:

Reference your cipher September 17 Committee reports price of 100,000 shrapnel 18-pr.

as per your cablegrams and specifications will be $8.55 each delivered at Montreal, 200,000 by November 1, and at least 30,000 monthly thereafter. Usual inspection charges. Shall we proceed? If so, please arrange line of credit through Canadian High Commissioner and in favour of Deputy Minister of Militia and Defence, Canada. Specifications 15-pr. just to hand. Price later. Please answer. Committee wait.

The credit itself was an Imperial credit, absolutely. The money was the money of Britain, not of Canada. It was arranged through the High Commissioner and transferred in a proper manner, I assume, not to the credit of this Government, but to that person who was persona designata for the purpose of handling the money, namely, the Deputy Minister of Militia. That is the transaction, and I think we should be proud of everything up to that point.

When my hon. friend from Carleton (Mr. Carvell) points out that small orders were given, he is pointing to what was a fact. I interested myself in connection with Western Canada, and I am going to say more about that later on. Mr. David Carnegie travelled to Victoria and back, and investigated most of the machine shops. I myself urged him to give small orders. I met him and his committee together, and pointed out that at Medicine Hat—which I do not represent—there were four very good machine shops which could be utilized for making shells; that there were two small factories in Calgary, and two in Edmonton, that could be used for the same purpose. Mr. Carnegie awarded small orders to each of them. Why? Because he said that these communities had done nobly in the war; they had sent their best sons to the front, and those who were too old to serve on the field should be given an opportunity to help the Empire by making shot and shell to kill the enemy. And so, in Medicine Hat, and in Calgary, and in Edmonton on a smaller scale, and in Vancouver, and in Victoria, men were working during the winter making shells. I leave it to the sense of this House and of the country to say whether it was not just and right that every factory, however small, should be utilized in making munitions, in order that those who were too old to serve in the trenches, but who were skilled mechanics and machinists, could still do their bit for the cause of the Empire.

It ill becomes the hon. gentleman from Carleton (Mr. Carvell) to say that the great manufacturers and the so-called trusts are the only people to whom orders should be given, and it still more ill becomes him while the representatives of the British Government may be satisfied to award those orders to the small Canadian shops, to be so unpatriotic a Canadian as to condemn their action. My hon. friend has said that these orders were given to favourites and even to members of the Shell Committee themselves. I am not going to traverse those statements, I have not the slightest interest in the world in them beyond what I read in the newspapers and why? The hon. gentleman from St. John (Mr. Pugsley) knows why; every hon. gentleman knows why. He knows it is of supreme importance to get something to fight the enemy with, and not ourselves. Does the hon. gentleman from St. John regret that orders were given to the town of St. John? Does the hon. gentleman who represents Medicine Hat (Mr. Buchanan) regret that a few orders were placed there? I am sure that my hon. friend from Red Deer (Mr. Michael Clark) does not regret what Mr. Carnegie said as to what could be done in Red Deer, and my hon. friend from Edmonton (Mr. Oliver), I am sure, will agree with me that he has no regret that a couple of orders were placed in his city, even if only for 10,000 shells each. Not being concerned then as to whether the Shell Committee gave orders to their uncles, their cousins, and their aunts—for I really am not interested, and I do not think this country is interested—

Mr. PUGSLEY: Even at treble prices?

Mr. BENNETT: I will come to the prices presently. This country, if I understand a little of its spirit, takes more interest in the war than as to whether General Bertram gave an order to his brother's cousin's aunt. My hon. friend speaks about the Canadian General Electric and the Allis Chalmers Company, in order to becloud the issue and to throw us off the track. The Canadian General Electric had all the work they could do, and the Allis Chalmers is owned by the Canadian General Electric. If my hon. friend does not know that, he ought to. I have this on good authority. I do not know any reason why David Carnegie should tell me an untruth; his name is a good Scotch name—

Mr. BRODER: He might.

Mr. BENNETT: My hon. friend says he might tell an untruth even though he is

Scotch. He himself being Scotch is perhaps a better judge than I am as to that. All I can say is that I was informed by Mr. Carnegie in all seriousness—and I think he knew what he was talking about—that his sole purpose was to award contracts to every factory in Canada that could make munitions of war. I am not going to discuss the question as to whether or not he was logrolled into giving contracts where he should not; whether political pressure was brought to bear upon him, I do not know. I heard something the other day about the right hon. leader of the Opposition having introduced a friend of his to the Munitions Board—a very proper procedure—and I am very glad his friend got a contract. As a Canadian, I was very anxious that every Canadian who could work, but not serve, should be given an opportunity to make munitions of war and thus do his little bit. Mr. Carnegie, having awarded a certain number of orders, returned to England. Does this House realise that he left this country for the express purpose of getting definite instructions from the War Office? He went to England I think in the early part of December, 1914, and remained there until I think the early part of January, 1915. In my private opinion, Mr. Carnegie, as a stranger to this country and to the way in which business is carried on here, may have done things that I probably would not have done.

Mr. PUGSLEY: What were they?

Mr. BENNETT: Those things in which the hon. gentleman is a past master in; Mr. Carnegie did not take advice from any one and relied upon himself to the exclusion of those who knew better. That is all.

Mr. PUGSLEY: There is not much harm in that. I want to know what those mistakes were.

Mr. BENNETT: I want to discuss that if I am not trespassing too much upon the time of the House. I know, at first hand, that the British Government and the British War Office did not believe what Mr. Carnegie told them as to the capacity of Canada. They could not realize what we were able to do in Canada, and when Mr. Carnegie spoke of the manufacture of shells in a country like Canada, with 7,000,000 people scattered over a wide area, they thought it nonsense to suppose that we could make shells. Mr. Carnegie said to them: "I have travelled from one end of Canada to the other, and I have seen their factories and they can manufacture shells." That statement impressed them, and finally they said to him: "Go back to Canada and see what you can get out of that country in the shape of munitions." He came back to Canada and orders were let for large quantities of shells: 100,000 in one place, 200,000 in another, and so on.

I should like to discuss what I conceive to be an all important question: it is that it is not an easy matter to make shells. I am not a machinist, nor a mechanic, like the hon. gentleman from Carleton. Neither am I a tinsmith.

Mr. CARVELL: I think that is true.

Mr. BENNETT: I do not claim to be as was John Bunyan, a travelling tinker. My hon. friend spoke about what he could do with a soldering iron and pot. I thought he could do much better at that than as a member of Parliament, and when he said that if he were given the brass he would be able to do the work of a tinsmith I was perfectly conscious of the fact that he was taking stock of the only asset he possesses.

Mr. CARVELL: That is very strong language.

Mr. BENNETT: It is not an easy matter to manufacture shells, notwithstanding what my hon. friend says. If it does not give any offence to my hon. friend I really prefer to take the judgment of those mechanics and machinists with whom I have discussed this matter to that of my hon. friend, the barrister member from Carleton. I am told that, first of all, excepting in a very few cases, it was necessary to install special machinery, and that machinery my hon. friend said was manufactured by the Bertrams.

Mr. CARVELL: I did not say so.

Mr. BENNETT: Well, I think some hon. member said so.

Mr. CARVELL: I did not say so.

Mr. BENNETT: Then it was the one thing my hon. friend did not say; he must have overlooked it.

Mr. CARVELL: My hon. friend will pardon me. I had no evidence of it, and therefore I did not make the statement.

Mr. BENNETT: If lack of evidence is the only reason why the hon. gentleman did not make the remark, then he need not have inflicted this House with a speech lasting four hours.

Mr. CARVELL: Give me a committee and I will produce my evidence.

Mr. BENNETT: The hon. member is always very bold about committees that he knows he is not going to get. The committee he is going to get he is never quite so bold about—a certain committee on hay was never a favourite of his. The first requisite was machinery, and the difficulty in getting machinery was very great. I would ask hon. members who have knowledge of the matter—and there are some on both sides of the House—if it was not a known fact that we exhausted every method to get machinery in Canada, and eventually United States manufacturers were called upon to produce it. But unfortunately, or fortunately, the factories of the United States were engaged in producing machinery to enable the large munition firms there to supply the demands of the Allies. Mr. Schwab of the Bethlehem Steel Company, with all the power that money could command, with the greatest organization for these purposes probably that the world has ever seen, was unable to accomplish what he had in mind for months and months beyond the time he himself had fixed. And I say authoritatively, and from first-hand source, that promises were made for the production of heavy artillery, shrapnel shells, high explosives, 9-inch shells, and other munitions of war, promises which those who made them, even with the most earnest, vigorous and persistent efforts were not able to fulfil, and this even in the case of the largest companies and the greatest organizations in the United States. In Canada, with a population of between seven and eight millions of people, inhabiting a great area and confronted with the difficulty of getting machinery by importation, delays were inevitable.

I say frankly that one of the things I fear about this war. is that delay in the delivery of munitions to Russia from the United States may prolong the struggle for another season. There was delay in getting machinery, jigs, lathes, gauges. Now "gauge" is a very easy thing to say, and a gauge itself seems a very simple thing. It is something to adjust work upon shells to the thousandth part of an inch. Some people may say: It is silly to talk of the thousandth part of an inch, but unless you adjust your machinery so as to machine the shell down to the thousandth part of an inch, you run the chance of destroying your gun when the shell is fired; and so the British authorities have insisted upon this nicety of adjustment. Only yesterday a gentleman told me of the difficulties that had met him in endeavouring to get another set of gauges in Canada. He asked when these gauges would be delivered, and was told: we cannot deliver to you another set of gauges before April.

Mr. CARVELL: Why do not they make them in Canada?

Mr. BENNETT: These were being made in Canada. I do not wish to be understood as seeking to magnify the difficulties that confronted the Canadian manufacturer; but we must recognize the fact that this was new work, that it was undertaken by people unaccustomed to it, that it was a work requiring great skill in the final analysis, though upon the surface it looks simple. In spite of all this, we have great factories where three months ago there was nothing but vacant ground. In the city of Montreal, they have a factory that is declared by those most competent to judge —namely the British inspectors—to be the finest factory of the kind that they have ever seen. I only give you these facts as I receive them. I know that in one place where six months ago there was nothing but an old building, to-day they have a factory in which shell cases are turned out at the rate of one every two seconds. That is great work. In Western Canada, they installed the machinery to manufacture shells in Winnipeg, Calgary, Edmonton, Medicine Hat—in a small way—Vancouver and Victoria. A little brass factory in Medicine Hat was able to adapt its machinery so as to make the brass bands and base plates used in the production of shells. I submit with confidence that, if the judgment of the experts of the British Ordnance Department is to be regarded, if the word of the British experts of artillery is to be taken, if the opinion of American manufacturers is to be regarded as worthy of consideration, we in Canada have made more progress and done more work in the production of munitions than has any other country, barring the work of the ordnance departments of the Allies themselves. I take the facts as they are presented to me, together with the dispassionate opinions of men who have no prejudices and no object to serve in misrepresenting the facts. Why should we vilify our fellow-Canadians at this time?

Mr. PUGSLEY: Who is doing that? Nobody on this side is doing it.

Mr. BENNETT: I have a profound regard for the magnificent intellect of the hon. member for St. John. I know that

he has been accustomed to read for at least fifty-five years. If he will read the speech of the hon. member for Carleton, N.B., delivered here on January last, and also his speech delivered on Tuesday and to-day, and if he will then say that that is not a slander upon our fellow-Canadians, then I will be forced to say that he is unable to appreciate the use of the English language.

They tell us that the British Government was dissatisfied with the work of the Shell Committee. Mr. D. A. Thomas came to Canada clothed with all the power of Lloyd George himself. Lloyd George said: I constitute you, Mr. Thomas, my minister qua Canada. And Mr. Thomas came to Canada. He investigated, remaining here for three months. Mr. Thomas is a man of very large business experience; and head of the great Cambrian Coal Association of South Wales. He brought with him Mr. Carr, who is permanently associated with the Education Department in England, and another gentleman. For my part, I do not believe that Mr. D. A. Thomas deliberately wrote what he believed to be untrue. If I must make a choice, I prefer to take the statement of Mr. D. A. Thomas to that of Mr. Carvell, of Carleton. I prefer the statement, clear and straight, of the man who has recently been honoured by his Sovereign, and elevated to the peerage, to the statement of one who has been guilty —not according to what I say, but according to what his own organ says—of dealing in half-truths and insinuations. Now, Mr. Thomas either knew what he was talking about or he did not. Is he a commanding business man in the life of the British Island or is he not? If he is, he knew what he was talking about. Then, either he told the Prime Minister and this Government the truth, or he did not. If he told the truth in the letter which he wrote to the Prime Minister, that Shell Committee satisfied the British Government. If he did not tell the truth, then you are at liberty to believe the hon. member for Carleton. Take your choice. We might as well deal with this matter plainly and fairly. Mr. Thomas was sent here by the Right Hon. Lloyd George to investigate conditions and report. I happened to cross the ocean with Mr. Carr; I was with him for eight days. The gentlemen who came here to investigate conditions say that the conditions did not reflect upon the honesty, the integrity, or the capacity of Canadian manufacturers. They say that the prices paid in the first instance were larger than those paid afterwards; but I should like my hon friend to remember this, and I had it from Mr. Thomas himself—as I had it from Mr. Carr, and as I have had it since from British statesmen—that they paid in the first instance a price to manufacture shells that was sufficient to pay the initial cost of machinery before making a profit. That is the reason for the high prices. The hon. member for St. John (Mr. Pugsley) asks why the prices were what they were, and why present prices are what they are. This statement explains it.

When it was ascertained what these factories were spending for equipment, Mr. Carnegie said he would give them an order and fix the price at $5.50 and supply them with the billet, in order that out of the first revenue that came from the shells they would be able to repay the cost of the machinery, which has but scrap value after the war is over. After that, he said, the prices would be reduced to such a sum as would enable them to make a fair profit upon their investment, and no more. These are the facts about this thing. There is no secret, there is no mystery as to $5.50, $6.75, $7, $10 or $30 being paid. Mr. Carnegie wanted to pay a price of $90 for a certain kind of shell, and when he was told of the possibility of being able to manufacture it at $55, the price then prevailing throughout the length and breadth of Britain, and pay the cost of machinery, he hesitated to believe that it could be done. But the figures were put before him; and ultimately he was convinced that it could be done; and the fact is that we are now making 9-inch shells in Canada at the same prices as that which it costs for the manufacture of these shells in Britain, the initial cost of machinery being repaid. In every factory in Canada—in Edmonton, Medicine Hat, Calgary, Vancouver, Victoria, St. John, New Glasgow, Pictou, Halifax, everywhere in this Dominion, it was the avowed purpose and policy of the British Government, speaking through Mr. Lloyd George, Mr. Thomas, and Mr. Hichens—and it is the policy to-day —to absorb from the revenue from the manufacture of the first shells the initial cost of the machinery, which, as I have said, has but scrap value after the war is over. That is the answer I make to the hon. member for St. John, when he asks me about prices.

At six o'clock the House took recess.

House resumed at eight o'clock.

Mr. R. B. BENNETT: Mr. Speaker, when the House rose at six o'clock, I was pointing out that it was the avowed purpose and intention of the Shell Committee to award contracts at such prices as would enable the cost of the plant to be paid out of the first order. There are circumstnaces in connection with the division of orders that make it rather difficult to determine upon what principle the Shell Committee acted. As to that, I have no observations to make beyond that, which I make with relation to all other matters of business: we are all human; mistakes may have been made, and probably were made by that committee as well as by the other comittees.

We then pass to the question of fuses and their manufacture in Canada. Notwithstanding what my hon. friend from Carleton (Mr. Carvell) has said with relation to the manufacture of fuses, I may point out that there are something over 100 component parts in a fuse, and that it is a very difficult thing to manufacture a fuse. It may be said that notwithstanding the very great efforts that were made to induce Canadian manufacturers to embark upon the production of fuses, those efforts were unavailing in the first instance, and not until after it had been demonstrated that fuses could be manufactured, were they willing to undertake the obligations and responsibilities of their production. What my hon. friend from Carleton said as to the fuses being manufactured in the United States is another matter about which I have no observations to make. As I have said already, I am not for a single moment defending the action of the Shell Committee. It may be that they should not have sent that contract to the United States. Speaking for myself, I have no hesitation in saying that I would not have done so; but in the exercise of business judgment on the part of those men, it does not seem to me to lie in the mouth of the ordinary Canadian to judge them at a time like that,—confronted with responsibilities such as they were faced with,—by the standards by which we would judge a man in the transaction of business in a grocery store or a wholesale business. Has it dawned upon this House, that that Committee was dealing with larger sums of money in a few months than the entire revenue of the Dominion for two years, and I doubt not that men of average capacity, suddenly confronted with difficulties of the character which confronted the Shell Committee would make mistakes. The judgment that we must exercise must be in the first instance the judgment of the average man, applying the ordinary tests of business to conditions that were strange, difficult and novel, conditions about which there was no guiding light of experience to assist them in arriving at proper conculsions.

I do not desire to discuss further the question (a) with relation to the awarding of contracts; (b) the prices; or (c) the fuses. I do not base my argument upon the assumption that I support everything the Shell Committee did; far from it, because I am not fully informed as to all they did. I base it upon the strong and sound principle that no man in this House has risen and said that the members of that Shell Committee were actuated by other than a patriotic desire to serve the State as best they could. And they served it without compensation; they served it in an entirely honorary capacity, and if they made mistakes, I comfort myself as a Canadian with the thought that my fellow Canadians are not infallible.

The right hon. gentleman opposite (Sir Wilfrid Laurier) will agree with me, after his long experience as Prime Minister of this country, when I say that however carefully he might surround himself with capable men, however many safeguards he might introduce to prevent the State from being exploited in any way at the expense of the public exchequer, the fact remains that he ordered and had conducted in the Printing Bureau an inquiry by his minister, which demonstrated that the Printing Bureau had not been conducted with that high regard for business principles which should characterize a business enterprise. Then, the Department of Marine and Fisheries was investigated by Judge Cassels, who found a state of affairs which my right hon. friend would be the last man to condone. Also with relation to the implementing clause in the contract of the Grand Trunk Pacific, he found that however careful he may have been, the fact remained that the court of last resort construed that legislation as indicating that an improvident bargain had been made. Then with relation to the National Transcontinental railway, however careful my right hon. friend may have been, he found abuses with regard to the expenditures made. In every department of public affairs, there is always creeping in, insidiously it may be, but nevertheless creeping in, abuses which it is only possible for men to overcome by taking knowledge from experience. In

other words, let the action of to-morrow be governed by the mistakes of yesterday, and let the mistakes of yesterday be the guiding and beacon lights that will guide you to a safer port, and to a more astute consideration for the public interest.

What did the Shell Committee do? When Mr. Thomas, Mr. Hichens, and Mr. Carr came to this country they wrote in a communication addressed to the Prime Minister that the prices had, in some instances, been high, but acquitted the gentlemen presiding over the Shell Committee of any wrongful purpose, and saying that they were actuated by a strong and honest desire to serve the state. They said: We think the prices in some instances were high, but did they venture to proceed further? With all his large experience, Mr. Thomas said: Those mistakes are always incident to the creation of a new industry under novel conditions, and Mr. Hichens, after investigating the workings of the Shell Committee arrived at the same conclusion. I told the House this afternoon who Mr. Thomas was. Who was Mr. Hichens? He had served the state well in South Africa; he took charge of the great works of Laird & Sons, of Birkenhead, and retrieved the fallen fortunes of that firm, and gave them the place and reputation they had lost by reason of unsound business transactions. That is the kind of man Mr. Hichens is. The gentleman who accompanied him is a descendant of the great speaker of the House of Commons who for many years presided over its destinies. Mr. Carr is on the permanent staff of the Civil Service. Those gentlemen, after the fullest inquiry, after the exercise of the greatest care in endeavouring to determine what the conditions were, unanimously arrived at the conclusions that there was no wrong-doing, no dishonesty, and that at the most large prices had been paid in the first development of the industry.

The right hon. the Prime Minister has pointed out that the prices paid were not greater than those paid in England, and that as a matter of fact, they were less than those paid in the United States. I submit this question to my right hon. friend opposite (Sir Wilfrid Laurier). Is it not a great compliment, is it not something of which Canadians should be exceedingly proud; that less than eight millions of people, without the great advantages that come from the development of industrial activity in centres where are located the works of the United States Steel Company, the Cambrian Steel Company, the Lackawanna Steel Company and other great companies that have grown up by years of progress in the United States; is it not a great compliment that having as against these the Nova Scotia Steel Company, the Dominion Iron and Steel Company, the Steel Company of Canada, and the various electrical enterprises we were able to produce munitions of war at a lower price than was charged in the United States? That is something which I, as a Canadian, am exceedingly proud of, and I feel proud indeed when I find Mr. Thomas and Mr. Hichens giving a certificate of character to a committee of my fellow countrymen as to the manner in which they had discharged their duties and responsibilities, bearing in mind the prices they paid to induce Canadian manufacturers to enter upon so hazardous an enterprise. Let me give an illustration from my own knowledge. In the early days of the munition business one great steel concern in the United States was asked to undertake the production of munitions, and declared that although the prices offered were very high, much higher than those paid in Canada, they must decline, for two reasons; first, they said, it means the introduction of absolutely new machinery; secondly, it is a precarious business at best; there is no permanency in the business, and it must end, as we hope it will end, in a short time. They refused to entertain the proposition, and subsequently some of our Canadian manufacturers undertook it, established plants, erected buildings, and commenced the turning out of finished shells; I do not mean fixed ammunition—in less than three months from the time they broke ground—

Mr. PUGSLEY: Does my hon. friend refer to the plant of the Canada Cement Company?

Mr. BENNETT: That is one of them; there is another.

Mr. PUGSLEY: It took Mr. Jones seven months to get the contract.

Mr. BENNETT: My hon. friend says it took the manager of the Canada Cement Company seven months to get the contract from the Shell Committee.

Mr. PUGSLEY: And at a reduced price.

Mr. BENNETT: My hon. friend says at a reduced price. Let us assume that that was so—I am not going to argue that—but what does it prove? That is the question. Does that prove that they were a dishonest committee?

Mr. PUGSLEY: If my hon. friend asks me for an opinion I will give it. It proves that the Shell Committee would not reduce the price because they were keeping up prices with the little mushroom companies all over the country.

Mr. BENNETT: My hon. friend says that it proves that the committee were keeping up prices for the small companies. I would like to ask him whether or not he gives his dissent to the arguments which I advanced this afternoon that the small companies in various parts of Canada were entitled to some consideration in view of the fact that men who had passed the age for military service were pleading to find employment in the manufacture of shells.

Mr. PUGSLEY: I dissent entirely from that mode of putting it, because as the results show they were giving the same prices to established manufactories that could have produced goods at perhaps one-half or one-third of what they were giving to the small firms; they were giving uniform prices all round.

Mr. BENNETT: I think my hon. friend will admit that that is hardly a correct statement of fact.

Mr. PUGSLEY: It is absolutely correct.

Mr. BENNETT: What is my hon. friend's evidence for saying that Mr. Jones was seven months trying to get an order?

Mr. PUGSLEY: It comes direct.

Mr. BENNETT: From Mr. Jones?

Mr. PUGSLEY: Direct from Mr. Jones.

Mr. BENNETT: Is it in the form of a letter?

Mr. PUGSLEY: If we get a committee it will be shown absolutely.

Mr. BENNETT: I doubt not that the hon. gentleman who is president of the Canada Cement Company, and who occupies a seat in another chamber, may have informed my hon. friend that it took seven months, but I think he is mistaken in that. My information is that Mr. Jones never seriously considered the production of munitions, it being no part of the business of his company and not being authorized by its charter, until six weeks before he actually got the order. It was necessary for him to go to the Secretary of State here and get an amendment of his charter before he could manufacture a single shell or raise a dollar for that purpose.

Mr. NESBITT: Mr. Jones told me that he besieged the Shell Committee for seven months.

Mr. BENNETT: I am bound to accept my hon. friend's word and I am very glad that he has given a definite statement as to that. Mr. Jones may have gone to the Shell Committee and asked for an order but he did nothing to indicate his willingness to undertake a contract, his company had no charter to authorize it to undertake work of that kind, it was necessary for him to get his charter changed, and it was not until November, 1915, that Mr. Jones was serious in wanting a contract.

Mr. NESBITT: Yes, he told them that he was prepared to back it up with all the means behind the cement company and that he would show his bona fides.

Mr. A. K. MACLEAN: He could have got his charter amended afterwards.

Mr. BENNETT: He got supplementary letters patent in November, 1915, or January, 1916—I am not sure which. But let us assume, for the purpose of my argument, that every statement by the hon. member for St. John (Mr. Pugsley), the hon. member for North Oxford (Mr. Nesbitt), and the hon. junior member for Halifax (Mr. Maclean) is true. What does that show? It merely shows one of two things, either that the orders which had been authorized by the Imperial Government had at that time been exhausted; or it shows, according to the contention of my hon. friends opposite, that there was some feeling against awarding the contract to Mr. Jones. My information may, or may not, be correct, but the information I have is that this Shell Committee could only award contracts as they were authorized by the Minister of Munitions and there was no standing order from which millions of shells could be placed, but, from time to time, orders were sent forward. To my certain knowledge, when I was in London in December, certain questions were under discussion as to orders that should be awarded, and they could not award orders to this country until Mr. Lloyd George had decided that further orders would be given to Canada. This question could not be settled until such time as it became clear that this Dominion was prepared to finance to the extent of $50,000,000 for the purpose of stabilizing exchange. Many orders that were ready to be awarded to us were not awarded because the difficulties in connection with exchange were too great. During the last few weeks, to

my knowledge, it would be possible for certain shell orders to be awarded to Canada if we were in a position to absorb the cost and thus stabilize the exchange between the two countries. This war has become a war of enormous monetary proportions, and the question of the power of Canada to finance the orders for shells given by the British Government has become a matter of vital importance. If Mr. Jones of the Canada Cement Company did not get an order, and if he was seven months trying to get it, from what I know of Mr. Jones ,and I know him well, he did not go after it with that persistency that is so characteristic of him and which he manifested for the last seven days before he got it. I know Mr. Jones, my hon. friend from Pictou (Mr. Macdonald) knows Mr. Jones, and my hon. friend from Halifax (Mr. Maclean) knows him, and, from what we know of him, we know that if Mr. Jones had gone after a shell order for seven months with the persistency, perseverance and determination for which he is noted, and if there were any orders to be given, either Mr. Jones would have had one or more shell orders or there would have been no Shell Committee. But he finally got orders and at low prices.

Have any gentlemen conducted any propaganda against what they used to call a trust in this House? Have any gentlemen ever held up their hands in holy horror at capital being directed against the small enterprise and the poor man? Have any gentlemen ever poured out vials of their wrath against watered stock in times long past? The cement trust is a very powerful organization. It is administered by very competent men. It is managed by the most astute industrial manager in Canada to-day—Mr. Jones. It was much to be preferred that small companies in Port Arthur, Fort William, Winnipeg, Edmonton, Calgary, Medicine Hat, Vancouver, and Victoria should be giving employment to men who are best able to serve the state in the manner which I have indicated, and which could take 10,000, 15,000 or 20,000 shells, than that Mr. Jones should absorb the sum total of all the work that should have gone to these factories, even if he got lower prices for it. Let us have no misapprehension about that, because I happen to be in a position to speak with some authority, if I were absolutely free to do it. This I desire to say further: The Imperial Shell Committee was just as fully advised of those facts as I am now, and the view that I now hold was the view of that committee.

[Mr. R. B. Bennett.]

Mr. PUGSLEY: You mean the present committee?

Mr. BENNETT: The old committee.

Mr. PUGSLEY: That is not the Imperial committee.

Mr. BENNETT: My hon. friend is fearful lest the use of the word "Imperial" should jar upon his nerves. It is surprising that the learned and distinguished gentleman representing the loyal city of St. John should have his nerves disturbed by the word "Imperial." If it means anything, it means what I have said. They had no order, for 9.2 shells to award, and in that connection I may say that Mr. Jones has undertaken the production of 100,000 9.2 shells. There is one now over at the Shell Committee offices, weighing 242 pounds. He is also undertaking the forging of a certain kind of steel, being a steel expert. But during the time my hon. friends say he was clamouring for orders, there were no other orders for 9.2 shells to award. Does that explain it? If I have no cotton to sell, obviously an offer of $1 a yard gets no cotton from me; and if there are no shell orders to award obviously the expression of willingness to make shells at $20 a shell will get no shell orders, even if the market price was $55. That is the position. This Mr. Jones' business has been much talked of in the press, and much exploited. I am perfectly cognizant of what he has said; I have, I think, as full a knowledge of that as my hon. friend from St. John. But Mr. Jones has never said, nor could he properly and truthfully say, that the Shell Committee awarded orders for shells that he undertook the production of, to any manufacturer in Canada during the time that my hon. friends say he was clamouring for an order. Let us understand that clearly. If it be true, what does it show? My hon. friend from St. John, like myself, has at times speculated in what we call real estate, and sometimes I think our judgment has not been as sound as it should have been. My hon friend in the early days had great faith in the Northwest Territories of Canada, a faith which did him credit, and he invested largely in farm lands, away out around Regina and along the Long Lake line. Years and years passed, and those lands did not grow in value.

Mr. PUGSLEY: Steadily grew in value.

Mr. BENNETT: They steadily grew out of value. Then there came a change, and they steadily grew in value.

Mr. PUGSLEY: They began to grow in value about 1896.

Mr. BENNETT: About the time my learned friend ceased to be a Conservative candidate in Kings, N.B.

Mr. MACDONALD: That shows he was a shrewd man.

Mr. BENNETT: He is about due for another change now.

Mr. GRAHAM: There were other changes about that time.

Mr. BENNETT: During the years I have had the great pleasure of knowing my hon. friend from St. John, he has occupied many political positions. I have known him as Speaker of the Legislature of New Brunswick, perfectly independent in his views; as a disciple of Liberalism under mugwump politics; as the Conservative candidate for Kings before the election of 1896; as the independent and indefatigable candidate for St. John in 1896; as the Liberal candidate in 1900 and then as Minister of the Crown under the Liberal Government, and I am perfectly sure that after the next election, when we are returned to power, he will say: we must all get together and work for the benefit of Canada, and he will want to come over to us.

Mr. MACDONALD: That is a splendid way of getting away from Jones.

Mr. BENNETT: I have no desire whatever to get away from Jones.

Mr. PUGSLEY: Rather frivolous talk now that the war is on.

Mr. BENNETT: Mr. Speaker, nothing could better illustrate my argument. I have been contending that my hon. friend from St. John has been endeavouring to stir up partisan strife in this country, and I have merely given a little of his political history on the principle that: "while the light hangs out to burn, the vilest sinner may return," and in the hope that he may cease to be the rabid partisan he has been in the recent past. I am quite sure there is nothing partisan in that. It is simply holding out a hope for his regeneration, and there is room for it. I do not want to get away from Jones. I am prepared frankly to concede, for the purpose of my argument, that Jones did not get an order.

Mr. MACDONALD: Why didn't he?

[Mr. Pugsley]

Mr. BENNETT: If I could answer that question I would, and if my hon. friend can answer it I will take my seat for the purpose of enabling him to do so.

Mr. MACDONALD: You knew all about it.

Mr. BENNETT: I have no such encyclopedic knowledge as my hon. friend from Pictou.

Mr. MACDONALD: I thought you had.

Mr. BENNETT: I said that I had perfect knowledge of the circumstances under which he sought an order.

Mr. PUGSLEY: Tell us why he did not get the order.

Mr. BENNETT: If my hon. friend can answer that, I will sit down while he does so.

Mr. PUGSLEY: I have already told my hon. friend—the price at which he wanted to get it was too low in the opinion of the Shell Committee.

Mr. BENNETT: What does that show? Does it show that these men were dishonest? If it does, the hon. member for Carleton is wrong; for he says they are honest. Mr. Thomas had full knowledge of that fact, and he did not condemn; Mr. Hichens had full knowledge of that fact, and he did not condemn; Mr. Lloyd George had the report of Mr. Thomas before him for at least three months, and he did not complain. What I desire to know is this: Do hon. gentlemen opposite say that because Jones did not get an order on the terms they suggest, the Committee was dishonest? And if they suggest that the committee was dishonest, do they suggest also that this Government was dishonest because the committee was dishonest? That is all it means. For my purpose, it may well have been that there was favoritism, and that the prices were higher than they should have been. For my purpose, it may well have been that the orders were not allocated and allotted as they should have been; but at the utmost what does that show? It shows nothing more nor less than possible negligence or the lack of business capacity. Let me see what the right hon. leader of the Opposition says it means. What does he charge them with, and this is important. He says:

I say that, owing to dereliction of duty on the part of the Shell Committee time has been lost, and, owing to that time so lost, battles have been lost, thousands of lives have been sacrificed, victories have not been carried to a

final issue, the enemy has not been pursued as he retreated, and the war has thus been prolonged.

Glorious rhetoric, but without reason; beautiful word-painting, but without facts to back it up; beautiful to read in the country school-house, but no advance as far as argument is concerned. The charge is, dereliction of duty. And this charge should be read in the light of what my hon. friend from Carleton said later on, and which is found on page 1593 of Hansard:

We are not making charges against the members of the Government; we do not say that members of the Government made a million or two or ten million dollars out of the operations of the Shell Committee. No one makes such a charge, and no one says that any member of the Shell Committee stole anything, although I will try, before I get through, to show that they made pretty big profits. I have no criminal charge to prefer against the members of the Shell Committee; but I suppose that unless I can go that far my right hon. friend will tell me that I have not complied with his requirements, and so cannot have an investigation. We stand on our sovereign rights as representing the people and demand an investigation of the expenditure of our money.

I would point out to the hon. member for Carleton and the hon. member for St. John that at the present moment, not one dollar of Canadian money, not even one cent, has been paid for munitions of war in Canada that has not been charged against the British Government itself.

Mr. CARVELL: Bookkeeping.

Mr. BENNETT: Bookkeeping of the kind that the blockers' brigade was accustomed to, but not the kind we are accustomed to.

Mr. PUGSLEY: In the meantime, has there not been an advance by this Government on account of the partnership between the British Government and the Canadian Government?

Mr. BENNETT: Not at all, as I shall show. The next charge of the hon. member for Carleton is:

Our complaint about the Shell Committee is that they did not get the munitions in time and did not get them at a reasonable price.

Further on he says:

What we complain of is that the Shell Committee, instead of organizing the industries of Canada for the purpose of turning out a shell that was some good, made it their principal object in life to get business for themselves and their own companies.

Those are the charges preferred by the leader of the Opposition and the hon. member for Carleton against the Shell Committee. That is a charge of negligence. The Shell Committee is acquitted of dishonesty, acquitted of any fraud, but they are charged with negligence. Since when did a charge against an agent for negligence, by a third party, when the principal is satisfied, ever entitle anybody to an investigation? I read this afternoon from the right hon. leader of the Opposition, quoting the words of Earl Curzon indicating that this Shell Committee was the agent of the Imperial Government. The agent: the principal is the Imperial Government. And we in Canada should be proud that the British Government, instead of sending out men from their own country, selected as their agents men nominated by the leader of this Government.

The principal says: "I want no investigation; I want no inquiry; I am satisfied that my agent has accounted to me for every cent he has expended, and for all the work he has done." But some outsider, some intermeddling busybody says: "No, I am not satisfied, let me investigate the work of your agent." Since when was that the law of the country? Since when is that a principle upon which parliaments act? If that be a sound principle upon which parliaments may act, then all I can say is this: in times of peace the time of Parliament will be mostly taken up in investigating; but in time of war, when the very life of the nation is at stake, does the hon. member for St. John (Mr. Pugsley) say that it is the duty of an intermeddling busybody, representing some people in a remote portion of the King's dominions, to demand an investigation as to how the King has discharged his duty to the country? That is what it comes down to. I appeal to the right hon. leader of the Opposition if, in his long experience, he has ever known under our constitutional system, a principal, satisfied, contented, absolutely demanding no inquiry, and on the contrary, giving a certificate of character to his agent, to find his time taken up by some outside third party setting up the right to investigate the operations of the agent as between him and the principal. Such a practice is unsound constitutionally; it is at variance with all political practice and with the long history of our parliamentary institutions, and every one knows it.

Mr. PUGSLEY: I desire to call my hon. friend to order. He quoted from what he said was a statement made by my right hon. friend the leader of the Opposition, to the effect that Lord Curzon had stated in

the House of Lords that the Shell Committee was the agent of the Imperial Government.

Mr. BENNETT: Yes.

Mr. PUGSLEY: I challenge my hon. friend to read from Hansard where my right hon. friend made any such quotation. The quotation which he made was that the Imperial Government entrusted the purchasing to the Canadian Government, and it was the Canadian Government that appointed the Shell Committee. (Reading):

> In Canada the system adopted by the War Office has been this. They have made their orders from an early date, through the Canadian Government, treating the Canadian Government, in fact, as their agents for the supply of munitions of war. Any requirements from the War Office here are communicated by letter or telegram to the Canadian Government, or rather, to the Minister of Militia there. This officer constituted quite early in the day the Shells Committee to which the noble Lord referred. That is a body presided over by a gentleman whose name is mentioned, a General Bertram, and upon it are representatives of the various manufacturing interests in the Dominion, and the function of the committee is to advise the minister as to the contracts which, on behalf of the Imperial Government, he shall conclude. All applications are made to him.

The Minister of Militia is the gentleman who concludes the contracts.

Mr. BENNETT: I am delighted that my hon. friend has directed the attention of the House to this quotation, because it was only to save time that I did not read it. The minister referred to is the Imperial Minister of Munitions, as the hon. member well knows.

Mr. PUGSLEY: Not at all.

Mr. BENNETT: And what is more, the fact is and the records show, that not a single contract for shells was closed between that Shell Committee and a contractor without the cabled consent and advice of the Minister of Munitions in London. The absolute fact is that General Bertram and his committee, as shown by the documents that are now to be found in Hansard, did not close a contract for shrapnel, high explosives, 6-inch, 8-inch, or 9-inch shells, without communication by cable with the Imperial Minister of Munitions and without receiving from him his o.k.

Mr. MACDONALD: Will the hon. gentleman tell us what Imperial Minister they communicated with before there was a Minister of Munitions?

Mr. BENNETT: The Minister of War, Lord Kitchener, had a branch in his own department over which General von Donlop, I think presided. Before Lloyd George was made Minister of Munitions, the applications were sent to Lord Kitchener.

Mr. MACDONALD: There is nothing of that in Lord Curzon's statement.

Mr. BENNETT: I have read Lord Curzon's statement, and the minister to whom he refers is the Minister of Munitions in London.

Mr. MACDONALD: Such an argument would not stand in any court of law.

Mr. BENNETT: There need not be any discussion as to what Lord Curzon meant. Let us divest ourselves of all these technical discussions and get down to the facts. The Shell Committee communicated with the Minister of War or the Minister of Munitions, whoever happened to be in charge, first Lord Kitchener, with General von Donop, and later, Mr. Lloyd George. Moreover, the facts can be learned by any hon. gentleman opposite by going down to the offices of the Shell Committee and ascertaining them, and my hon. friend from Carleton, who has been so studious in his examination of the papers in the back room of the Shell Committee, could easily have ascertained the facts.

Mr. CARVELL: I want to emphatically deny that I have ever been in the back room of the Shell Committee.

Mr. BENNETT: The front room, then.

Mr. CARVELL: I have never seen the papers, and I do not know anything about them.

Mr. BENNETT: I am bound to accept that statement, but I have it from a member of the Shell Committee that yesterday my hon. friend was perusing the papers of the Shell Committee for the purpose of speaking in this House.

Mr. CARVELL: I want my hon. friend to withdraw that statement because it is not true. I never saw any files of papers; I never went to the Munitions Board to look up files of papers. I went to the Munitions Board to look over shells.

Mr. BENNETT: Yesterday?

Mr. CARVELL: Yes.

Mr. BENNETT: Then you were there?

Mr. CARVELL: I saw no papers; I perused no files, and I will not allow my hon. friend to make a statement like that without challenging it.

Mr. SPEAKER. Order. According to the rules of the House, the hon. member for Calgary is bound to accept the statement made by the hon. member for Carleton.

Mr. BENNETT: I accept his statement gladly. The hon. member says he attended the Shell Committee's office yesterday for the purpose of obtaining information as to the shells.

Mr. CARVELL: Exactly.

Mr. BENNETT: And doubtless he obtained the information he required.

Mr. CARVELL: I did.

Mr. BENNETT: And I am perfectly satisfied that if he had pursued his inquiries to the extent he should, he would have found that the Shell Committee concluded no order for shells without communicating with the Imperial Minister of Munitions, or the War Office, as the case might be. I merely mention that in passing.

I desire to point out just one further fact and I have done with that side of the issue. After Mr. Thomas and Mr. Hichens investigated, they made a report which according to a well-defined policy, will not be brought down until after the war is over; but they named a new Imperial Munitions Committee, and what was the personnel of it? My hon. friend, who descanted this afternoon upon the terrible evils of General Bertram and Mr. Carnegie, and who descanted at equal length upon the personnel of the new Munitions Board, overlooked the fact that both Mr. Carnegie and General Bertram are members of that board.

Mr. MACDONALD: What has General Bertram done since the new board began work?

Mr. BENNETT: He has been doing his share of the work.

Mr. MACDONALD: He has been in Florida.

Mr. BENNETT: He may have been in Florida on account of his health having been injured by the attacks of hon. members opposite. His work has been appreciated by every one else. It may be that, having won the commendation of the British people and having been knighted by his Sovereign, and then denounced by a misguided minority in the Canadian Parliament, he has been compelled to go to another clime for his health, but at the outset he advised the board in their work, and he has gradually got the prices of shells reduced. Mr. Carnegie has been over Canada; he has been to England doing what he could in presenting the claims of the Canadian manufacturers and people to the Minister of Munitions for the purpose of increasing the number of orders to be received by the Canadian people, to give employment to larger numbers of our workmen, to found new factories and to create new industries in this country. That is what he has been doing. Mr. Carnegie, when he first came to Canada, was a doubting Thomas, who did not believe in the potentialities of this country. Returning to England with the accomplished facts to show for his activity, he comes back to us again with fresh orders. So that, now we have four hundred factories with 136,000 workmen ready to resume work to-morrow at the sound of the whistle, where previously less than 36,000 were employed.

This Munitions Board thus reconstructed, the old committee being honourably discharged, is now charged with the responsibility of carrying forward the work. And now that the old committee is dead, the right hon. leader of the Opposition and his followers propose to hold a post-mortem. They know that they cannot in this way usefully serve the state. The hon. member for St. John (Mr. Pugsley) will not say that anything a committee of investigation could do by way of post-mortem could in any way assist or serve the state. They know that the Government to whom the committee were answerable, the Government whose servants they were, the ministry in Great Britain, declare that the committee's work has been done to their satisfaction. I say it guardedly, but I say it emphatically, that these hon. gentleknow that no useful purpose would be served, except one, and that would be described in the language of Beaconsfield when he came back from Berlin—"It might at least serve the purpose of maligning their opponents and vilifying the people of the country in which they live." Let us be frank and fair about this. Not only does it serve no useful purpose, but it causes great harm. When the hon. member for Carleton this afternoon referred to the fact that a Liberal government should be in power, and that it would give great pleasure to the people, I know the people to whom it would give great pleasure—the people who occupy the central empires of Europe. They are the people who would be pleased, who would be delighted. The enemy whom

we fight are those who would rejoice at this demand for an investigation. I have heard at least five responsible ministers of the Crown in England say that they would not hold investigations with regard to similar matters at this time, because nothing could be more inimical to the interests of the state than that the enemy, who read our newspapers and seize upon every scrap of evidence that will make for their advantage should be given such knowledge as some of that given in this House for the first time by the hon. gentleman opposite—knowledge with regard to contracts that should not have been given, prices that should not have been disclosed. I say this is the substitution of partyism for patriotism and the forgetfulness of obligations and duties to the state. These charges are tossed glibly across the floor of this House against this Shell Committee and against this Government, which did nothing more than name to the Imperial Government certain men in whom they had confidence, men of responsibility, men worthy of trust, one of whom had for years been the servant of the Imperial Crown in the great Woolwich arsenal, but who now are charged with dereliction of duty, and of all the offences in the calendar short of breach of trust, short of being criminals.

A post-mortem is demanded. That raises two questions. The first is a lawyer's question, the constitutional question. And this question divides itself into two parts. The first is, whose was the public money that was being expended? And, next, has there been any desire on the part of those whose money was expended to hold an investigation. I hold this point to be fundamental. Money expended by the Canadian Government must be accounted for to the Canadian Parliament and the Canadian people. But on the same principle, money expended by the Imperial Government must be accounted for by that Government to the Parliament and people of the United Kingdom of Great Britain and Ireland. That is my position and on that I stand. I challenge the eminent lawyer from St. John (Mr. Pugsley) to dispute it. Since when has it been part of the constitution of this country that we have the right to investigate expenditures made in this country by another government? If we are to challenge the expenditures made by the Shell Committee—spending, as they did, British money for munitions of war—on the ground that at the end of the war we are to pay our share of the cost, then we must investigate the cost of shells in Australia, the cost of shells in England the cost of shells in the Bethlehem Steel Works, we must investigate every item and every transaction relating to the purchase of munitions of war used by the allied powers against the enemy forces. There is no escape from that. The hon. member for St. John, with that great technical skill for which he is noted, asked the Minister of Finance in the opening days of this session, whether or not we had to pay our portion of all the costs of the war. And the Minister of Finance said, certainly, we had to pay our portion. But, as yet, in the Auditor General's report, not a single dollar has been charged against the Dominion of Canada for the shells bought here by the Shell Committee, and in the Auditor General's report that will cover this current year, ending March 31, 1916, not one sou-marqué will appear as so charged. I challenge the hon. gentleman to name the principle upon which he proceeds when he says that the Canadian Parliament has the right to investigate the expenditures made by the British Government in the purchase of munitions in Canada. If one dollar is entered in the Auditor General's report as charged against the Canadian people, then ipso facto that account goes to the Public Accounts Committee for investigation. In that case, I am prepared for one to assist to the last ounce of energy I have in any investigation that may be desired to see that the money of the people of Canada has been justly and properly expended. I ask these stalwart disciples of Liberalism, who in days gone by have fought for responsible government, to tell me on what principle they will investigate the expenditure of other people's money. There is no getting away from that; it is the fixed principle upon which all Governments are conducted, it is the foundation of responsible institutions.

Mr. PUGSLEY: I rise to ask a question for information. Was the money that was being deposited to the credit of the Shell Committee deposited by the Government of Canada?

Mr. BENNETT: My hon. friend knows that, in the first instance, the credit was wired through the High Commissioner's office, from the Chancellor of the Exchequer to the Deputy Minister of Militia as persona designata, for the purchase of shells. We made the loan of $100,000,000—$50,000,000 more than was asked for—and

that $50,000,000 is being loaned to the British Government to pay for the purchases in Canada. That $50,000,000 is to be lent to the British Government for the purpose of paying for their purchases in Canada—hay, oats, wheat, rye, and various other commodities that are bought here, including munitions of war.

Mr. PUGSLEY: With regard to this loan which my hon. friend says is being made to the Imperial Government to pay for munitions, etc., is the money deposited directly to the credit of the Shell Committee by the Canadian Government?

Mr. BENNETT: My understanding of it is this: the credit is a credit that is arranged for the Imperial Government. Our money is placed to their credit, and then the Imperial Government advises the Shell Committee as to what their expenditures may be, and as to what money they have available for checking against.

Mr. PUGSLEY: I understand, then, that the money is put directly to the credit of the Shell Committee by the Canadian Government?

Mr. BENNETT: No. The right hon. Chancellor of the Exchequer has arranged a special account for the Imperial Munitions Board, not the Shell Committee. The Imperial Munitions Board gets money from one source, the Imperial Government; and the Imperial Government borrows part of it from the Canadian Government.

Mr. PUGSLEY: I am speaking of the old Shell Committee.

Mr. BENNETT: The old Shell Committee went out of business before the Canadian loan was made. On November 20, 1915, the old Shell Committee was superseded by the Imperial Munitions Board, and the credit arranged by the Imperial Government for the old Shell Committee was a credit created by the Chancellor of the Exchequer, transferring the money as such from London to Canada.

Mr. PUGSLEY: Do I understand, then, that no part of the money that was handed to the Shell Committee was placed directly to their credit by the Canadian Government?

Mr. BENNETT: No part of it; that is my understanding. It was all Imperial money that they had; the Imperial Government became responsible for finding the money. For instance, let us say that we owed the Imperial Government $2,000,000, and the Imperial Government owed us $2,000,000 for munitions; book-keeping entries would be made by way of arranging exchange and saving trouble—that is all. But it must be remembered that in so far as the financial side of it is concerned, the paymaster at the present moment is the British people, not the Canadian people. That is what I want to make clear; let there be no getting away from that point.

Mr. PUGSLEY: As the contracts which were let by the old Shell Committee are being completed and paid for, is or is not the payment being made directly by the Canadian Government?

Mr. BENNETT: My information upon that point—and I think it is correct—is this: the Canadian Government is not buying a single dollar's worth of anything so far as the Imperial Munitions Board is concerned. This Board, presided over by Mr. Flavelle, issues its own cheques, and pay their obligations alike for those liabilities that were created before they came into being, but which they assume by reason of their having taken over the responsibilities of the old Shell Committee, and for the new burdens which they themselves have created.

Mr. CARVELL: But the money comes from the Government of Canada.

Mr. BENNETT: It does not in any sense come from the Government or from the people of Canada. We lend money to the British Government and they lend money to us; it is a debtor and creditor transaction from start to finish.

The next point is the constitutional question: should this Parliament ask for an investigation if the principal whose money it has and to whom the agent is responsible not only does not ask for, but says he does not want an investigation?

Mr. PUGSLEY: Has the Imperial Government said that?

Mr. BENNETT: It has.

Mr. PUGSLEY: Through whom?

Mr. BENNETT: Mr. Hichens, representing the Minister of Munitions.

Mr. PUGSLEY: He does not profess to speak for the Imperial Government in the matter.

Mr. BENNETT: He did speak for them.

Mr. PUGSLEY: He speaks personally.

Mr. BENNETT: Then, Mr. Hichens, speaking personally, though representing him-

self as having the power of the Minister of Munitions, Mr. Lloyd George, told the Prime Minister of this country that Mr. D. A. Thomas or his successor had in Canada all the powers of the Minister of Munitions himself. Perhaps he did not know—I suggest that. 9 p.m. Has my hon. friend looked the facts in the eye? Why do my hon. friends desire to make party capital of this matter? Why not be good enough Canadians to be proud of what has been done? I am doing nothing more than reciting the facts as I understand them; I have no prejudices in the matter. I do think, as a student, in a small way, of constitutional principles and the political history of our country, that two propositions are firmly established, namely, that we have no power to investigate the expenditure of other people's money in this country, and that, if the Government whose money it was says that it has no desire for investigation, we should respect its wishes. Tell me this: should we investigate the expenditures of the Hudson Bay Company in Canada for the French Governernment, for the Russian Government, for the Italian Government, for the British Government? Should we investigate the expenditure of the Canadian Pacific Railway Company for the rather large sums that they have expended for the British Government?

Mr. PUGSLEY: We appointed them agents; why not?

Mr. BENNETT: We did not appoint them agents.

Mr. PUGSLEY: We appointed the Shell Committee.

Mr. BENNETT: No, we named them as being the persons who were fit to be agents, and the principal has said that he is well satisfied.

Mr. PUGSLEY: The Minister of Militia appointed them.

Mr. CARVELL: He says he did.

Mr. PUGSLEY: And they say that they reported to the minister once a week.

Mr. BENNETT: Certainly, in order that he who recommended the agent to the principal might know that his faith in the agent whom he had named had been warranted. Suppose the hon. member for St. John said to me: I should like to have an agent out your way to look after some matters for me. I say: I think Smith would make a good man; my hon. friend says, very well, Smith makes no bargain, no sale, no purchases, without telegraphing the hon. member for St. John. I say: I have named you, Smith, as a fit person to be agent for Dr. Pugsley; I want you to report to me every week what you have done, in order that I may know that I have made no mistake in naming you and that my faith in your capacity as agent has not been unwarranted.

Mr. PUGSLEY: Suppose I were to name Smith in Calgary to do my business. Smith says: I will have to employ three clerks to attend to this business—Mr. Jones, Mr. Brown, and Mr. Robinson. I will appoint these gentlemen as my clerks to attend to this business which you have entrusted to me. Does my hon. friend say that afterwards Smith could not investigate the conduct of the three clerks that he appointed?

Mr. BENNETT: Why, certainly; that is the very point I am trying to make.

Mr. PUGSLEY: Let me carry it a little further.

An hon. MEMBER: You had better go back.

Mr. PUGSLEY: Not at all. The Minister of Militia, as representing the people of Canada, appointed this Shell Committee to look after the business with which he, as representing the people of Canada, was entrusted. All we ask is that the people of Canada shall be allowed to investigate the conduct of the eight or ten members of this Shell Committee whom the Minister of Militia appointed.

Mr. BENNETT: My hon. friend has got a little confused, which is indeed rather surprising. I must say that in all my long experience with the hon. gentleman I never saw him muddled so badly.

Mr. PUGSLEY: The matter is quite clear in my own mind.

Mr. BENNETT: Well, it is a matter of expressing it, probably.

Mr. PUGSLEY: Probably so. If I could talk the one-hundredth part as fast as my hon. friend does, I should be all right.

Mr. BENNETT: I am bound to say that my hon. friend can always talk rapidly enough to disguise his real meaning.

I leave the constitutional phase of the matter, and the next point I desire to make is this: is it expedient—from the national, not the political standpoint—that this investigation should be held?

Mr. PUGSLEY: It certainly is.

Mr. BENNETT: My hon. friend says that it is. With that I join issue. He is only saying that in an academic sense to see if I have any reason for the faith that is in me. I urge that it is inexpedient for these reasons, (1) from the standpoint of manufacturing in this country; (2) from the standpoint of our credit; (3) because our energies should all be used for the war; and lastly that nothing will suffer by waiting, which is very important.

Let us see how the manufacturing interests are affected. Last summer I was in Paris, and while I was there, a gentleman representing Canadian manufacturers came to the hotel and asked me if I would endeavour to intercede with the Premier and with the Minister of War to say that Canadian boots were such as might safely be ordered by the French Government and worn by the French soldiers. I inquired, and this was the answer: It was explained to me that because of the damning given to the reputation of Canadian boots by men, such as the hon. member for Carleton and others of that type at the last session of Parliament Canadian boots and shoes were not held in high esteem in France. I say to-day in this House that not less than $10,000,000 worth of boot and shoe business was lost to the Dominion of Canada by the slanderous attacks made upon them by the Opposition in this House. I say that in all seriousness. No statements or representations that could be made were sufficient to overcome the prejudice that had been created in the minds of those people by the attacks made in a committee of this House.

Further, when I was in London I picked up the Daily Chronicle. The Times, and the Morning Post, and the Daily Telegraph had been telling the people of England of the possibilities of Canada, and of how our business men might assist in the conduct of the war, and I read an article signed by a man, whose name I forget, in which he said: what have we to expect from Canada in the matter of help in the war; they are such a corrupt bunch over there that at the last session of Parliament so and so took place. And, Sir, my country, and your country, and the country of the Canadian people was held up to the British people and to the citizens of the great Republic of France as a country which, in this great crisis of the world's history, thought more of dollars than of the fate of the Empire, and more of partyism than of patriotism.

Mr. CARVELL: Is my hon. friend aware that the committee for the consideration of the question of boots was moved for by the Prime Minister himself, and not at the instigation of any one on this side of the House?

Mr. BENNETT: I am aware of the fact that the Prime Minister yielded to the unconscionable importunities and cries and howls of tale bearers. But if I know the Prime Minister, he is not going to see his country vilified and slandered a second time at the instance of the hon. member for Carleton and his friends.

Mr. CARVELL: You are keeping the lid on this time all right.

Mr. BENNETT: My hon. friend talks about keeping the lid on. Patriotism with him spells keeping the lid on. His idea of patriotism consists in advantage to a party; that is all. I say that when you are confronted with a situation such as this war has produced, we can at least afford to wait a day or two. What man in this House whose residence is burning, whose business is being destroyed, and the hose bursts, would stop putting out the fire because the hose bursts, to investigate the town council that bought the hose? I put that to the House and to the country. I ask the fathers whose sons are at the front whether or not they want this war stopped while the hon. member from St. John (Mr. Pugsley) and the hon. member for Carleton (Mr. Carvell) investigate as to who is responsible for the hose. Is it not a lovely spectacle; is it not an elevating spectacle of Canadian patriotism to see the brains and the genius of one party of the State being used in the middle of a great war for the purpose of slandering, vilifying, and holding up to execration their fellow Canadians, lessening the respect with which they are held by the peoples of the world, destroying the proud position which we have attained by the greatness of our troops on the field of battle, and causing the name of Canadians to be a by-word and a reproach in the market places of the world. That is my hon. friend's idea of patriotism, but it does not reflect the genius of the Liberal party as represented by the people of this country, however much it may represent the highest ideal of the hon. member for Carleton.

Let me go a step further. It hurts our credit. Who so avaricious as the money

lender in a neutral state? Who takes advantage of every opportunity to take the last cent of interest out of the country at war so much as the neutral state? I do not know, because I am not sufficiently a student to express a sound opinion, but from the greatest financial men whom I saw in England, I learned that the economic side of this war is transcendently the most important. Some of them said they almost despaired of our ability to meet the great drains made on our financial resources. We are borrowers in the United States; we are borrowers at home. We are part of the British Empire, and our credit must suffer if the credit of the Empire suffers. In floating the Anglo-French loan, they pledged the credit of France and the credit of the British Empire, and here in this Parliament of ours, in this new democracy, there are men so little concerned with the tremendous issues of this war as to fritter away the time of the State and of Parliament by attacking the Shell Committee, which bought munitions of war to the satisfaction of the British Parliament, but which did not please a couple of hon. gentlemen. Is our credit thus to be destroyed? One-quarter of one per cent on our loans, one-half of one per cent more interest on the moneys we must borrow, means a charge upon the people of this country that, measured month by month for five years, will amount to $5,000,000 and, for ten years to a sufficient sum to enable us to complete great national undertakings, or to provide for the readjustment period after the war, or for larger pensions for those who are dependent. Is it a right thing to thus hurt our credit, is it right to thus destroy and injure the reputations of our manufacturers? I should like this to be placed on Hansard; one of the great purchasing agents for the Allies, representing a foreign government, said to me that Canadian manufactured goods were better than any goods he had bought upon the American continent. I was proud of it. Now, I am told that a committee is needed to investigate and hold up to scorn and obloquy the men who are devoting their energies and time to this work for the purpose of assisting in ending this war.

But that is not all. I should like to make this clear. You say: "Why should we not hold an investigation?" I say: Why should you not hold an investigattion later on if you want it? If the constitutional repuirements are met, and a dollar of expenditure goes through the public accounts, you are entitled to an investigation. If we pay out a dollar you can demand an investigation. Who will be injured if an investigation is delayed? Who stops in the midst of a conflagration to investigate who bought the hose? Do I understand it to be the policy of the Liberal party to say to the people of the British Empire: We want to stop war until we find out if the agents of the Imperial Government did their duty? No, no. My right hon. friend the leader of the Opposition says no to that? Surely he says no. With his large experience and his great knowledge of the constitution and the political history of our country, he must say no to that. The position he took on the South African war question was sound absolutely from the constitutional standpoint.

Do you realise what an investigation means? Let us concede that you have it. Over three hundred concerns, large and small, would be affected. With a parliamentary committee sitting at Ottawa men would be brought from Victoria, Vancouver, Calgary, Edmonton, Medicine Hat, Winnipeg, Moosejaw, Saskatoon, Port Arthur, Fort William, St. John, Halifax, Orillia, every little town in the country, to attend this investigation. You, sirs, talk of delay. Are you going to stop the wheels of Government and industry until you can get these little vaporings before the people of Canada? You are going to stop the highly skilled business of the country and these men are going to be dragged away from their businesses and brought here while an investigation is held. That is what is going to happen and you call that statescraft and patriotism. You cannot seriously mean that. Can a man like Colonel Cantley leave the operations at New Glasgow for the purpose of coming here and sitting around listening to learned questions about steel being asked of him? Can the managers of the Dominion Iron and Steel Company come here and attend an investigation of this kind? What is to happen these great businesses while these men are here? Last year we saw the Militia Department disorganized while Parliament investigated boots. What are you going to do now? Not only are you going to disorganize and dislocate industry but, more, you are going to place an intolerable burden and responsibility upon the Government while this investigation continues. I appeal to the patriotism, to the humanity, of the men of this House to say whether or not they are living up to the highest ideals of Canadianism when they say that the Prime Minister, already over-weighted with matters of Government, is to have this added to the burden, if min-

isters of the Crown already overburdened with responsibility shall have this parliamentary investigation thrust upon them for the purpose of making a little cheap glory for a man like the hon. member for Carleton, N.B. Is that the idea that prevails in this House and throughout the country? I think it is not. I should like to say this in all seriousness; there is ample time for this matter to be dealt with when this war is over.

I alluded a few moments ago to the observations of the right hon. gentleman who leads the Opposition. He pointed out that there had been dereliction of duty, that as a result there had been a shortage of shells upon the battlefield, that retreats of the enemy had not been followed up and that great vantages had not been pursued to the full. What does that mean? That means an inquiry into the operations of the war. Why should we undertake an inquiry, in the midst of the war, as to its operations? Does the right hon. gentleman say that, sitting here in all their wisdom, five or seven members of this Parliament can determine whether or not the Gallipoli operations were properly carried out? Can he say that at the battle of Neuve Chapelle the failure of munitions was traceable to the failure of Canadian manufacturers? Can he say that at Loos the attack failed because of the shortage of Canadian munitions? Does he ask for an investigation into the operations of this great conflict? A few days ago Mr. Asquith refused absolutely to consider it. We all know the great discussion that has taken place between Lord Kitchener and Lord French in relation to the failure of munitions at Neuve Chapelle. Mr. Asquith said at Newcastle that he had ample information from Lord Kitchener himself that the supplies of munitions were double the demands that might be made upon them. In terms Lord Kitchener said that he had received this information from General French. It turned out that there were not supplies of munitions sufficient for carrying on the operations for five days. What happened? In Parliament an investigation was demanded and brushed aside by Mr. Asquith as a petty piffling thing which could only be considered when the war was over. Though challenging the operations of Sir Ian Hamilton at Gallipoli, where thousands of Australians made the supreme sacrifice, the Australians, angry though they were, are yet still content to wait till the war is over, till the victory is won. The same is true of New Zealand, and the same is true in regard to operations in France. General Joffre, the great commander-in-chief, has found it necessary to dismiss some of his generals, and he has dismissed them without an investigation, because the investigation can wait until the war is over. The British Government has dismissed and superseded generals who have been in charge of divisions and army corps. It is true that the British Government has wiped out the Shell Committee. It has appointed a Munitions Board, but on that Munitions Board it has appointed to membership two gentlemen who were members of the late Shell Committee. But, Sir, do hon. gentlemen for a single moment say that it is our duty at this time to endeavour to hold a post mortem examination upon their conduct when no crime is charged, when they are said to be free from dishonesty in their conduct, and when all that can be said about them is that they have been negligent?

Sir, I have a profound conviction that when this war is over and when an investigation into its conduct has been held alike in the Mother Country and in the overseas dominions, some reputations that are now looked upon as great will fall. I have a profound conviction, too, that men who have profited by the necessities of the state, who have washed their hands in blood money, so to speak—they and their children's children—will be remembered with execrations and curses by the men who come after. But now is not the time, in the midst of this great conflict, to cease our activities, to wear out our energies beating against the rock. The function and duty of the Opposition is fearlessly to oppose and boldly to criticise; but they can do that constructively as well as destructively. Every thoughtful suggestion offered by an Opposition should be considered, and, if possible, acted upon by the Government of the day. In a great war, where unity of purpose is absolutely necessary, where cohesive and co-ordinated effort is demanded by every father, mother, wife, son and daughter within the state—oh, in such a war as this, let us show to the world the spectacle of a people united; determined that come what will, let it be for good or ill, we may be able to say when history is written that we have neglected no opportunity, and overlooked no possibility; but that we have devoted our energies fearlessly, determinedly, and unitedly for the purpose of making victory assured, that liberty and freedom may continue among the sons of men, and that

our civilization may be preserved to posterity.

Mr. PUGSLEY: Am I right in supposing that an arrangement was made for this debate to go over until Tuesday?

Sir ROBERT BORDEN: We proposed in the first place adjourning the debate until next Tuesday, but continued it to-day for the accommodation of the hon. member for Carleton.

On motion of Mr. Pugsley, the debate was adjourned.

SUPPLY.

The House in Committee of Supply, Mr. Rhodes in the Chair.

Railways and Canals—Railways—anti-creepers and tie plates, $20,000.

Hon. J. D. REID (Acting Minister of Railways): It has been customary, when taking up the Estimates of the Department of Railways and Canals, for the minister to make a general statement of the work of his department. I am sorry to have to inform the committee that the hon. Minister for Railways and Canals is ill at the present time, and therefore unable to be present. Two years ago it fell to my lot, for a similar reason, to deliver this general statement, and I regret the circumstances which make it necessary for me to do so again. However, I hope his illness will be of short duration, and that the short rest will speedily restore him to health, and that we shall soon see him back again in charge of his department.

Since prorogation last year, the Government railway system has been very materially enlarged. At that time we had the Intercolonial railway, with some branch lines, and were operating the Transcontinental between Levis and Moncton. We have since taken over the whole Transcontinental railway system between Moncton and Winnipeg, and have also leased from the Grand Trunk Pacific that portion of their line between Superior Junction and Fort William.

Mr. PUGSLEY: Temporarily or permanently? I ask this because the part of the Dominion from which I come is intensely interested in the matter. Is there any agreement or Order in Council with regard to the taking over of the road?

Mr. REID: There has been an Order in Council authorizing the lease of that part of the road between Superior Junction and Fort William. In addition to that, under virtue of an Act passed last session, we have taken over two lines in the province of New Brunswick, namely: the International from St. Leonards to Campbellton, and the New Brunswick and Prince Edward Island Railway, running from Sackville to Cape Tormentine. The acquisition of the latter road was necessary in connection with the operation of the proposed car-ferry between Cape Tormentine and Carleton point. We have also during the past year been operating the completed portions of the Quebec & St. John railway between Gagetown and Fredericton and Fredericton and Centreville.

Mr. CARVELL: You had better draw that statement a little milder.

Mr. REID: We have been operating it—

Mr. CARVELL: One train a week.

Mr. REID: —and we are also now operating the Dartmouth-Dean's branch of the Intercolonial railway. The total mileage of the railways operated by the Government at the present time is as follows:

	Miles.
Intercolonial railway	1,457
Prince Edward Island railway	272
Transcontinental railway, Moncton to Winnipeg	1,804
Lake Superior Branch	188
International railway	112
New Brunswick and Prince Edward Island railway	36
Dartmouth-to-Dean railway	67
Quebec and St. John Valley railway	121
Total	4,057

The operation of these roads is, as I explained two years ago, under the direction of one general manager, with two general superintendents, one for the Intercolonial railway and the various branch lines, and the other in charge of the Transcontinental and the Lake Superior branch.

Sir WILFRID LAURIER: Who are the general superintendents?

Mr. REID: Mr. Brady and Mr. McNellies.

Mr. MACDONALD: Are there two superintendents on the Transcontinental?

Mr. REID: Mr. Brady is General Superintendent of the Transcontinental; under him is Superintendent Gorrie.

Mr. MACDONALD: Not Mr. McNeillie.

Mr. REID: Mr. McNeillie is on the Intercolonial, but Mr. Gorrie is at Quebec assisting Mr. Brady.

The arrangement of the staffs as outlined at that time continues, with very satisfactory results.

I will first deal with the Intercolonial railway, and I am pleased to be able to say that during the present year the Intercolonial has received its share of the increased business enjoyed by railways generally, so much so that the result has been that the current year will be the best in the history of the road. The Minister of Railways and Canals has always been of the impression, and I concur with him, that, with the staff at present operating the road, and its good roadbed, increased traction, stronger bridges, and other facilities, if we could get an increased share of freight business, we could handle it successfully and make a much better showing. We have been able to get that extra business, and have been able to handle it with a very slight increase of cost in operation.

To put it in concrete form, our gross earnings at the end of December were increased by $1,191,000, while the increase in working expenses amounted to only $43,000. The particular items of economy which worked together for the above result are as follows: Fuel economy campaign, which covers the cost of coal, loading on locomotives and economy in firing; engine house expenses reduced by improved methods of handling work at round houses; closer supervision of stores and stores accounting; increased tonnage on freight trains due to the use of heavier locomotives made possible on account of strengthening bridges; great efficiency in Moncton and Riviére du Loup shops occasioned by re-organization of staff. To this should be added the economy that is being practised in every branch of the service on account of a desire of the officers and employees generally to make the Intercolonial a railway of which every man connected with its operation may be proud. I am therefore glad to bear tribute to the fact that the various classes of employees on the road have been doing their best to make the operation of the Intercolonial as successful as that of privately-owned roads. Having secured connections from the West, and also enjoying better connections in the other provinces, I believe the Intercolonial will in the future be in a position to show better results than it has done in past years.

Operations.

I will now give a statement showing the results of the operation of the road during the present year. Part of it must, of course, be estimated, as the fiscal year does not close until the end of March; but in making the estimate for the balance of the fiscal year, I feel that we have arrived as nearly as possible at the approximate figures:

Actual earnings to Dec. 31 1915..	$10,613,264 99	
Estimated for Jan., Feb., and March, 1916....	3,800,000 00	
Total..		$14,413,264 99
Actual expenses to Dec. 31st, 1915.	$8,896,754 84	
Estimated expenses for Jan., Feb. and Mar., 1916..	3,360,000 00	
Transferred during year to renewal of equipment account..	600,000 00	
Rail renewal account	400,000 00	
Fire renewal account	100,000 00	
Total..		$13,356,754 84
Showing a surplus of..		$ 1,056,510 15

The sums which have been transferred to the three renewal accounts already mentioned will be used entirely for the providing of new equipment on Government railways, and at no time in the history of Government railways has new equipment been more needed than at present, owing to the fact that we have taken over a couple of thousand miles of railway on which there was very little, if any, equipment, and to which we must add as fast as we possibly can in order to cope with the traffic now being offered.

Mr. MACDONALD: Why should you need a surplus; you are only taxing the people for it.

Mr. REID: This is freight over and above what the railway had before, and the profits are really as stated. However, this surplus will all be used for new equipment.

Mr. MACDONALD: Have you to take that extra earning of the Intercolonial to provide equipment for the Transcontinental?

Mr. REID: Some of the earnings have come from the Transcontinental, but it is now all one system and any profits that there may be on either railways will, of

course, be used on the whole Government railway system.

Mr. MACDONALD: You are going to tax the people of the Maritime Provinces exclusively, for the purpose of providing this equipment.

Mr. REID: We are not taxing the people a cent more; the rates are the same as they were before.

Mr. MACDONALD: My hon. friend, in answer to a question which I put on the Order Paper the other day, stated that the freight rates on lumber had been increased in the last six months.

Mr. REID: That was done in order to equalize the rates, and the hon. member knows it.

Mr. MACDONALD: Before we conclude, I will show my hon. friend that the rates have increased.

Mr. REID: The several accounts mentioned, to which these sums have been transferred, are accounts which I am informed by the officials of the department were opened by the hon. member for South Renfrew (Mr. Graham), while Minister of Railways, and his practice in this regard, which I believe was a very wise one, has been since adhered to.

Capital.

There was in last year's estimates a vote of $9,290,650 for capital expenditure. The estimated expenditure under this head is expected to be about $7,100,000. One of the most important and necessary works undertaken has been the strengthening of bridges to allow the use of the heavier power rendered necessary by modern railway practice. This work of strengthening the bridges will, it is expected, be completed during the coming fiscal year.

Mr. CARVELL: What will that work cost?

Mr. REID: If the hon. member will put that question at a future meeting of the committee, when I have the official of the department with me, I will answer it. I have not a statement before me.

Additional facilities for the economical handling of business have been provided at twenty-seven points.

About five miles of double-tracking between Chaudiere Junction and St. Romuald have also been completed. Diversions of the line between Nelson and Derby Junction, as well as a diversion between North Sydney and Leitches Creek, 4·3 miles have been completed. Pier No. 2 at Halifax is completed and in use. The ocean terminals at Halifax will be referred to a little later on. The subway at Moncton is practically completed. The car ferry Scotia has been delivered and is in use, and the Bathurst spur line has been completed. The Levis coaling plant has been completed and is in operation. New rolling stock has been delivered as follows:

10 Passenger, locomotives, Canadian Locomotive Company.
15 consolidated locomotives, Canadian Locomotive Company.
250 steel gondola cars, Eastern Car Company.
250 flat cars, Nova Scotia Car Company.
6 first-class steel coaches, Dominion Car Company.
6 baggage and postal cars being built in Moncton shops are about 55 per cent completed.
2 Wrecking cranes and one steam shovel delivered.

It has been customary to bring down certain statistical information of interest to many hon members, and for that reason I will include at this point a statement showing the earnings and expenses not only of the present fiscal year, but, for purposes of comparison, similar figures for the three preceding years:

Working Expenses.

Month.	1912–13.	1913–14.	1914–15.	1915–16.
April	$ 823,669 49	$ 962,874 29	$ 952,459 18	$ 870,703 22
May	828,160 13	1,028,549 69	961,539 86	958,223 49
June	889,713 86	1,120,447 84	1,032,303 66	1,027,758 76
July	935,213 10	1,039,044 91	1,070,800 99	1,025,118 01
August	942,655 52	1,133,190 76	991,795 77	964,113 67
September	888,343 38	1,018,324 38	924,552 97	1,011,509 28
October	946,032 26	1,059,886 41	994,743 51	1,018,501 85
November	916,582 96	1,039,563 76	938,999 99	1,034,486 64
December	944,654 35	1,065,849 40	992,654 87	986,339 82
January	975,467 84	1,121,165 83	900,687 31	*1,000,000 00
February	918,013 43	1,016,407 87	862,191 30	*1,060,000 00
March	1,931,476 37	1,261,943 16	815,543 73	*1,200,000 00
Total	$11,579,982 69	$12,867,249 00	$11,438,373 14	$12,256,754 84
Average per month	998,331 87	1,072,270 75	953,197 76	1,021,396 24

* Estimated.

Earnings.

Month.	1912–13.	1913–14.	1914–15.	1915–16.
April	$1,025,010 81	$1,160,789 77	$1,069,520 39	$ 938,609 68
May	1,003,083 67	1,098,283 13	952,925 23	949,655 21
June	996,107 63	1,109,795 48	1,035,430 33	1,024,913 86
July	1,028,034 85	1,197,890 24	1,116,668 90	1,179,320 97
August	1,091,985 16	1,177,069 81	1,037,541 63	1,194,990 26
September	1,014,740 58	1,141,244 88	1,070,558 43	1,275,352 64
October	1,051,741 83	1,114,429 07	927,671 68	1,357,879 37
November	1,017,464 14	1,047,987 94	831,162 70	1,312,055 86
December	1,009,003 36	1,094,160 05	871,620 82	1,380,487 14
January	984,016 00	880,322 80	764,447 66	*1,300,000 00
February	806,223 18	809,919 03	820,962 61	*1,200,000 00
March	993,071 48	1,045,656 80	946,362 76	*1,300,000 00
Total	$11,984,482 69	$12,878,549 00	$11,444,873 14	$14,413,254 98
Average per month	998,706 89	1,073,212 41	953,739 43	1,201,105 41

* Estimated.

There was transferred to Renewal of Equipment Account the following accounts:

1912-13	$777,863 74
1913-14	179,362 78
1914-15	36,465 08
1915-16	900,000 00

Repairs.

I also include the following statement of work done so far as repairs are concerned:

	1913-14	1914-15	Increase.	Decrease.
Locomotives	173	392	119	
Freight cars	19,208	14,065	....	5,143
Passenger cars	472	505	33	

Mileage and Revenue.

The following statistical information will also be found of interest:

Tons (revenue) and passengers moved.

	Passengers Number.	Freight Tons.
1913-14	3,983,511	5,287,740
1914-15	3,613,371	4,539,002
Decrease	370,140	758,738

Mr. CARVELL: Would the statement of passengers of 1914-15 include soldiers?

Mr. REID: Yes. But the hon. member knows that this is for the fiscal year ending 31st March, and as the war started on 4th August, 1914, few soldiers would go up to the end of that fiscal year.

Tons (revenue) and passengers moved one ton mile

	Passengers Number.	Freight Tons.
1914-15	176,189,749	1,189,017,914
1913-14	159,843,276	970,395,253
Increase	16,346,473	218,622,661

Locomotive mileage:

	Passengers Number.	Freight Tons.
1914-15	3,234,202	5,893,003
1913-14	2,355,268	4,869,879
Increase	878,934	1,023,124

Prince Edward Island Railway.

Up to November 30 we have succeeded in reducing our operating expenses on this railway $34,200. Our earnings, however, were $8,700 less than for the same period last year.

The deficit on this railway this year, as compared with the same period last year, has been reduced $25,500, and unless winter conditions are severe, the same relation should continue until the end of the year. Last year our deficit in the operation of this road was $182,731.53.

Safety First.

The Minister of Railways, the management and the employees are taking a keen interest in the Safety First movement on these railways. This accident prevention work for the two years ended December 31, 1915, as compared with the two preceding years before Safety First work had been undertaken, shows the following decreases: 30 fewer persons killed, a decrease of 33 per cent; 401 fewer persons injured, a decrease of 27 per cent.

Provident Fund.

The Provident Fund, which is an employees' pension department, to which the railway contributes $100,000 per year, has on its rolls 657 ex-employees, who are receiving pensions which amount to $19,278.03.

Employees' Relief and Insurance Association.

This is a life and accident insurance institution, supported by contributions from employees and $10,000 per annum paid from earnings of the railway.

During the past year 86 death claims and two total disability claims were paid, amounting to $38,750. Sick benefits to employees, medical and surgical attendance and other expenses in connection with the association show a gross expenditure on this account of $91,585.56.

The Minister of Railways introduced an innovation on the Intercolonial and Prince Edward Island railways in connection with beautification in the way of lawns and flowers of its stations, and with the idea of interesting the employees a system has been arranged whereby the agent making the best showing in each district in station beautification receives a cash prize of $50. These prizes last year were distributed to the agents at the following stations: A. Routhier, Routhierville, P.Q.; W. Parsons, St. Germain, P.Q.; Angus T. MacDougall, West Bay Road, N.S.; T. P. Grady, Summerside, P.E.I.

[Mr. Reid.]

Efforts last summer in regard to station beautification were confined to 35 stations. It is expected during the coming season to have this beautification work extended to at least 75 stations.

Owing to the Grand Trunk Pacific Railway Company not having taken over the National Transcontinental railway, the Government was compelled to undertake the operation of this property, and a train service was inaugurated between Superior Junction and Quebec on June 1, 1915.

Mr. PUGSLEY: Would the hon. minister submit to the committee any correspondence or Orders in Council bearing upon the Grand Trunk Pacific Railway Company not taking over the road, the Government thereby being compelled to operate it? There must be correspondence on the subject. I asked for it twice last session and the session before; the minister promised to bring it down, but we have not had it.

Mr. REID: If the hon. gentleman will give me a note of what he wants, I will get it for him.

Mr. PUGSLEY: The minister knows what we want—everything bearing on the subject.

Mr. REID: The hon. gentleman's question will be in Hansard, of course; I will look it up in the morning before we take up that item, and I will try to get the information for the hon. member.

The Lake Superior Branch of the Grand Trunk Pacific Railway Company, extending from Superior Junction to Fort William, a distance of 188·8 miles, was so closely associated with the operation of the Transcontinental railway east of Winnipeg that negotiations were entered into with the Grand Trunk Pacific Railway Company which terminated in the lease of this property to the Government. The property was, therefore, taken over by the Government on the 1st of May, 1915, under the terms of this lease. I shall be glad to bring down a copy of the lease, so that the hon. gentleman may see it. He asked me as to the term of the lease; I have not that in mind at the moment, but I shall be glad to get that information.

Mr. W. F. MACLEAN: Has the Grand Trunk proper had any connection with this lease?

Mr. REID: It was the Grand Trunk Pacific Company only. They owned this portion of the road, and it was absolutely

necessary that this portion should be operated, as otherwise there would be no connection with Fort William. In fact, that was the key to the situation so far as operation from Winnipeg east was concerned.

The Grand Trunk Pacific Railway Company operated the line from Winnipeg to Fort William as agents of the Government for the months of May and June, thus enabling the management of the Canadian Government railways time to organize and equip the same for operation under its own management. On July 1 this change was made, and Grand Trunk Pacific employees were retained so far as they desired or their services were necessary.

The terminals at Transcona were, under the agreement, made joint terminals between the Transcontinental and the Grand Trunk Pacific, and repairs are made to the latter company's locomotives at the Transcona shops at cost plus ten per cent.

10 p.m.

We are operating a tri-weekly passenger service between Toronto and Winnipeg over the Grand Trunk, the Temiskaming and Northern Ontario and the Transcontinental, and the business secured has justified this service. A daily through westbound freight service between Cochrane and Winnipeg was installed in August, which gives us an average of 15 paying loads per day. A daily passenger service is given between Quebec and La Tuque and between Levis and Monk.

Mr. PUGSLEY: I do not think that is correct. The time table shows a service twice a week.

Mr. REID: The information has come to me from my officials; I shall make inquiries in the matter.

Sir WILFRID LAURIER: What is the service between La Tuque and Cochrane?

Mr. REID: Bi-weekly mixed trains are run between La Tuque and Cochrane, and tri-weekly mixed trains between Moncton and Chaudière, and as many freight trains are run as the traffic requires.

Mr. PUGSLEY. The hon. gentleman has just said that there is a daily service between Levis and Monk; now he says that there is a tri-weekly service between Moncton and Chaudière. Chaudière is just alongside of Levis.

Mr. REID: The statement says that there is a daily passenger service between Quebec and La Tuque and between Levis and Monk.

Mr. PUGSLEY: That must be wrong. The time table does not show a service of that kind.

Mr. REID: That is the information which is given to me: if it is wrong, I shall correct it.

Mr. PUGSLEY: There is great complaint about the insufficiency of this service too.

Mr. REID: That is only within the last three or four weeks, owing to the heavy storms that have taken place in the lower provinces. The same has occurred in the western provinces; they say that the storms there are the greatest that they have had in twenty-six years.

Mr. PUGSLEY: I may be wrong, but I think that somebody has misinformed the minister. It is my information that during the whole of the past summer there was a service between Monk and Levis only two or three times a week by mixed train—passenger and freight. It was a very inefficient and unsatisfactory service. Who could have told the minister that the service was daily I cannot imagine. I am speaking now in accordance with my information, and, I think, in accordance with the time table as well.

Mr. REID: These statements were given to me by the officials of the department; they ought to be correct, and I must take them as correct until I find that they are wrong. I must say that I think the statements are correct.

From early in September to the end of the season of navigation we delivered 26,173 cars of grain at Fort William, which is about two and one-half times that handled last year under Grand Trunk Pacific operation. To relieve the grain blockade at Fort William and take advantage of elevator space at Quebec and Montreal, an emergency freight rate which would compare favourably with lake and rail rate was put into effect, under which the Transcontinental undertakes to handle grain from Armstrong, the geographical position of which corresponds with Fort William, to Quebec and Montreal at 6 cents per bushel. A considerable amount of traffic is being arranged for in this way.

Mr. ROBB: How many cars of wheat have been carried on that road from Armstrong to Montreal and Quebec?

Mr. REID: That question was asked within the last week and was answered by me. I have not in mind just at this moment

the answer that I gave, but the hon. member will find it in Hansard. If he wishes, I will give him the information when I have the figures before me. To relieve the Fort William situation further we are now hauling grain from Fort William to Atlantic ports, which requires a back-haul to Superior Junction, and in this way 50 cars of grain a day are being moved.

To organize the initial service on the Transcontinental railway in the limited time at our disposal, 98 locomotives, 33 passenger cars, and 1,300 freight cars were transferred to the West from the Intercolonial. We were able to transfer locomotives from the Intercolonial for the reason that, during the dull times of last winter, we repaired all our Intercolonial locomotives, and were able at the opening of the Transcontinental to utilize 95 per cent of our power on the two railways. Ordinarily, 20 per cent of the locomotives of a railway are out of commission for repairs or other causes. These locomotives, with the assistance of 13 rented from the Grand Trunk Pacific, have enabled us to handle the grain situation as well as we have. In addition to this equipment loaned, much of which will be absorbed permanently by the Transcontinental, we purchased 1,000 steel frame box cars, at a cost of $1,095,000, which were delivered in September.

Mr. MACDONALD: Where did you get these—in the United States?

Mr. REID: I think we bought most of them in Nova Scotia. We bought from the Eastern Car Company and the Nova Scotia Car Company, but I will give the information later.

Mr. MACDONALD: Where did you rent the box cars?

Mr. REID: I said that we rented some engines and cars from the Grand Trunk Pacific, but I have no knowledge of renting from any other railway corporation. On December 1 the gross earnings on the Transcontinental from Moncton to Winnipeg and Fort William were $2,296,113.40. The operating expenses for the same period were $1,975,994.36, to which should be added rental for the Lake Superior branch for seven months, $350,000, which shows a deficit in Transcontinental operations to that date of $30,000.

Our reports indicate that the traffic handled during the month of December will give us a small surplus for that month. For the remaining three months of the fiscal year we may expect deficits, the amount of which will depend upon the severity of the winter and the amount of through traffic which we can secure.

Mr. PUGSLEY: My hon. friend is right in saying that there is a daily service between Moncton and Levis if he means that a train goes one way one day, and goes back the next day.

Mr. REID: That is a daily service.

Mr. PUGSLEY: No, that a tri-weekly service. On Tuesday the train goes from Moncton to Edmundston, stays over night, and goes on to Levis the following morning so that according to this time table it is a tri-weekly service.

Mr. REID: What is the date of that timetable?

Mr. PUGSLEY: 16th January of this year.

Mr. REID: In one sense my hon. friend is right, and in another sense I am right.

Mr. PUGSLEY: It is like a service in the south which is called a by-weekly service; you try to get one way one week and to get back the next.

Mr. REID: That is all I have to say about the Transcontinental railway. I will now deal with the Quebec bridge and also with the ferry that is being used while the bridge is being erected. The car ferry Leonard is now in service between Quebec and Levis and handling very satisfactorily the Transcontinental and Intercolonial railway business at that point. The car ferry was rendered necessary owing to the delay involved in this project because of the collapse of the first Quebec bridge. Work is now progressing rapidly on the construction of the second bridge. On the north shore the entire cantilever arm has been completed, thus practically completing all the steel work on that side. On the south side the steel work has been completed up to and including the main post over the main pier. This year the south cantilever arm will be erected, and the work of erecting the suspended span will be commenced early in the spring at Sillery Cove and will be completed by the time the cantilever arm is ready to receive it. It will then be floated into place and suspended from the two ends of the cantilever arms. Thus, it is expected that all the main members of the bridge will be erected this year, and the

connection from shore to shore made, though it will take another year to finish riveting and painting and to clean up the work. The expenditure on the Quebec bridge to date amounts to $18,257,621, of which amount $10,473,346 has been on the new bridge. The estimate to complete is about twenty-seven millions; that is, the total cost of completing the bridge, taking the old bridge and the new bridge together is estimated at $27,000,000.

There are certain large works in connection with the Government Railway System which, when completed, will form part of that system, and a brief explanation concerning these is, I feel, due to the House. I will first refer to the terminal arrangements under way at Halifax and St. John.

When the improvement of our terminals at Halifax and St. John was first considered by the minister with a view to the necessity of providing for the future increase in the business of the Government railways, we all agreed that it was necessary that some provision should be made to properly take care of the increasing development of the Dominion, and this is more than ever true now that we have the Transcontinental under Government control. My own opinion is that the necessity for this terminal work is much greater than ever before, and the work of providing the required accommodation is being pressed as fast as possible.

The situation so far as Halifax is concerned is as follows: Sections 1 and 2 of the railway from Rockingham to Jubilee House, His Majesty's Lumber Yard and Reid Rock in Halifax Harbour, are under construction for a total distance of 7½ miles. The contract was awarded to The Cook Construction Company and Wheaton Brothers in September of 1913 and work to the value of $1,574,834.71 has been done. Good progress is being made on the first unit of docks. Six thousand five hundred lineal feet of quay walls have been dredged and filled. Also substructures for buildings, sewers, etc., have been completed. The contract for these docks was awarded to Foley Brothers, Welch, Stewart and Fauquier in January 1914, and work to the value of $1,349,119.64 has been done. The work is about 30 per cent completed and the unit should be finished by November 1, 1917.

The St. John harbour work is, I may say, under the direction of the Public Works Department, so that it will not be necessary for me to refer to it in detail here.

Mr. PUGSLEY: What will that unit at Halifax cost?

Mr. REID: I have not a statement as to that before me, but I will give the information when the item comes to be considered.

Mr. SINCLAIR: What is the total expenditure at Halifax?

Mr. REID: The expenditure in connection with the contract awarded to the Cook Construction Company and Wheaton Brothers has been $1,574,834.71, and in connection with the contract awarded to Foley Brothers, Welch, Stewart and Fauquier, $1,349,119.64. On the opposite side of the harbour at Halifax, from the town of Dartmouth, we have completed the construction of a line of railway locally known as the Dartmouth to Deans branch and which at present extends to Upper Musquodoboit, 67 miles. The contract for this work was let to M. P. & J. T. Davis in February of 1912, and was completed in January last. There still remains a number of station buildings to be erected, tenders for which are now being called for by the department. A tri-weekly service has been installed by the Intercolonial Railway since January 1, 1916. The total expenditure to the end of January, 1916, has been $2,189,485.81. This has been on construction and chargeable to capital account.

P. E. I. Car Ferry and Terminals.

The work connected with the provision of a car ferry service to Prince Edward Island has not made such progress as was desired and expected. The New Brunswick & Prince Edward Island Railway has been acquired and is being put into shape to form an adequate link between the main line of the Intercolonial Railway and the ferry landing with the existing system of island railways. The contract with the Armstrong, Whitworth Company was satisfactorily completed, and the steamer Prince Edward Island delivered over to us during the summer notwithstanding war conditions. Its appearance has been the subject of high praise from all those who have examined the vessel. The situation has not been as satisfactory with respect to the terminal works. At the outset a season was lost at Carleton Point through the default of those to whom the contract for this terminal was at first awarded. Further serious delays have resulted from

the stormy weather and exposed conditions under which the work has necessarily had to be carried on. With the advance of the breakwater these conditions improve. At Cape Tormentine the principal work remaining to be done is the completion of the breakwater, the dredging, and the placing of riprap on exposed faces of the pier head. At Carleton Point several more cribs are necessary to complete the steamer landing, some dredging is to be done, and further work done on the breakwater and rock approach pier. The contract for the steel transfer bridges, to connect the deck of the steamer with the pier, has been let, and works are ready for their reception. The total estimated cost of the car ferry and terminals is $2,850,000, of which $1,975,000 has been expended.

Mr. PUGSLEY: The minister started in at Halifax and St. John and then skipped St. John.

Mr. REID: I stated the reasons why I would not go into that; the work there is being done by the Public Works Department and they will have to explain it.

Hudson Bay Railway.

I am well aware that the construction of this railway has been a matter of considerable public debate for very many years. During the time that I have been a member of this House prior to the commencement of the construction of this railway, I believe not a single session passed without a discussion, during which members from the West advocated the construction of this railway. There was at that time, and there are now, possibly, many who doubt the advisability of the construction of this road. However, the construction of the road was decided upon by the late Government, and the hon. member for South Renfrew (Mr. Graham), as Minister of Railways, let the first contract to J. D. McArthur & Company just before the Liberal Government was defeated.

I may say that while I myself may have had grave doubts as to the feasibility of this undertaking, yet I have come to the conclusion, after seeing the reports in the department and discussing the matter with those who are at work in connection with the railway, that this road will be of value to the country in time to come. It will serve a useful purpose in opening up a large extent of territory of considerable agricultural value, and those portions of the country which are not agricultural are believed to contain mineral resources which only await development. There will also be opened for development fisheries which will, it is expected, rank with those that have made the Newfoundland waters famous.

Further, there is no doubt in my mind in reference to the navigability of Hudson bay and straits for several months of the year.

Mr. PUGSLEY: Is that the minister's own opinion?

Mr. REID: That is my personal opinion after having got all the information I could. Perhaps I was of the same opinion as that entertained by some other members in the past and perhaps I did not have the confidence in this project that I have now.

Mr. PUGSLEY: The statement is evidently a prepared typewritten statement, and I was curious to know whether it was the minister's statement or the statement of the acting minister.

Mr. REID: I never discussed anything in connection with this matter with the Minister of Railways.

Mr. PUGSLEY: Then it is the acting minister's statement?

Mr. REID: This statement is my own and it expresses my own opinion and not that of Mr. Cochrane. He was too ill to discuss anything. This statement is one that I dictated to my stenographer, and I am giving it as dictated by me and as representing my own opinion and no other.

Mr. MACDONALD: You are not able to say whether he agrees with it?

Mr. REID: No, I am not, because, as the hon. member knows, he was away for a couple of months ill, and during the time he was here I did not discuss with him anything in connection with his department.

Mr. MACDONALD: You are only speaking for yourself?

Mr. REID: I am only speaking for myself.

Mr. SINCLAIR: For how many months in the year does the minister regard this route as practicable for commercial purposes?

Mr. REID: I had a discussion with my hon. friend the Minister of Railways and Canals just after he returned from Hudson bay a couple of years ago. He went overland to Hudson bay and he came down by steamer. He stated then that he believed Hudson bay was safe for navigation from some time in the middle of June to the middle of October.

Mr. SINCLAIR: How do you explain the report of the expert who went there to examine into this matter and which report has been laid before this House since the commencement of the present session?

Mr. REID: You mean for the Marine and Fisheries Department?

Mr. SINCLAIR: Yes.

Mr. REID: The writer of that report was an officer acting for the chief engineer of the Marine and Fisheries Department, but the Marine and Fisheries operations were more along the shore than through the strait. I would like to give a little more information to show why I believe, and the chief engineer believes, that this route is navigable for a considerable period of the year. I was saying that there was no doubt in my mind as to the navigability of Hudson bay and straits for several months of the year. That is my own opinion. I believe this is not only possible but that it is assured. This has been demonstrated to my satisfaction since the Department of Railways and Canals, for its own purpose, purchased three vessels for use in its Hudson bay service, as well as chartering several others, and so far as these vessels are concerned, they have navigated this route without meeting with any accident of importance. It is true that during the first season two vessels were cast away right at Nelson under circumstances which have never been satisfactorily explained and which have absolutely no bearing upon the practicability of the Nelson route. The vessels that were purchased were not built purposely for this route, and other vessels would perhaps be found safer.

It is not expected, of course, that there will be any great rush during the first few years after the completion of this road and harbour, but the time will come when this road will be of immense value to Western Canada. I believe also that for the amount which it is to cost it will in years to come have a military value which will be well worth while. It is, of course, unfortunate that this great expenditure was commenced only a short time previous to the outbreak of war, but since that time the Department of Railways and Canals has been doing its best to keep the work down to a minimum, so that the burden each year may be as light as possible, with due consideration to proceeding with the work without resultant loss or claims for damages against the department.

The length of this line from Le Pas to Port Nelson, as finally revised, will be 424 miles, and the road has been graded to Mile 378. Steel has been laid, including sidings, to Mile 242, at which point erection is proceeding with the Manitou Rapids bridge over the Nelson river. This work is expected to be completed in April, when track work will be resumed. The track is surfaced to Mile 225, and has had a final lift of ballast to Mile 150. The telegraph line keeps pace with the steel, and has now been laid to Mile 242. This work is divided into three sections, and all three contracts fell to J. D. McArthur & Company, the first having been let by the hon. member for South Renfrew, as Minister of Railways for the previous Government. On section No. 1 $3,229,994 has been expended to date, and on section No. 2 $1,602,300, and on section No. 3 $1,865,795, or a total of $6,698,089. The total value of the work under contract is estimated at $9,629,605. During the coming summer the track will be carried forward to the second crossing of the Nelson river at Kettle rapids, at Mile 332. Here we have a large bridge to construct, and it is not expected that track work can proceed beyond this point until the spring of 1917, but, when resumed, it will be carried through to Port Nelson without further delay.

Port Nelson Harbour Work.

At Port Nelson good progress was made on the permanent work of harbour development. Previously the work done at this point has been of a preliminary character, consisting of the establishment of the camp, construction of plant, shops for repair of plant, temporary wharves, drydock, etc., necessary for the prosecution of the work. The substructure for the bridge approach to the main dock has been carried out half a mile from shore, and the whole of the bridge superstructure will be completed this coming season. The suction dredge was employed excavating the approach channel

with satisfactory results, the remaining dredges, tugs and scows being chiefly occupied in procuring stone filling for cribs and riprap.

The total expenditure upon the Hudson Bay railway and terminals to December 31, 1915, was $15,465,304, made up as follows:

General expenses, engineering, etc....		$ 721,974
Pas bridge and terminals..		388,172
Pas Thicket Portage:		
On contract account.. ..	$3,229,994	
Rails, bridges, etc.	2,680,896	
		5,910,890
Thicket Portage to Split Lake Jct. ..		1,661,291
Split Lake Jct. to Port Nelson..		1,815,869
Port Nelson terminus		4,977,208

Canals.

As is well known, the canal system of Canada includes:

Sault Ste. Marie canal.
Welland canal.
St. Lawrence canals, extending from Prescott to Montreal.
Chambly canal, in Quebec.
St. Peter's canal, in Nova Scotia.
Rideau canal.
Trent canal.
Carillon and Grenville canal.

On the majority of these canals we have attempted nothing during the year in the way of construction, and they merely required the attention of the proper maintenance and operating staffs.

Welland Ship Canal.

We are continuing the construction of the Welland ship canal, which we commenced in the year 1913, and the work under contract at present consists of sections Nos. 1, 2, 3, 4-A and 5, no additional sections having been placed under contract during the past year.

Section No. 1, which is under contract to the Dominion Dredging Company, Limited, consists of the construction, principally, of the new harbour at the lake Ontario entrance to the canal, which covers one and one-half mile of dredging in the lake, and considerable pier work, one and one-half mile of canal excavation inland, and the construction of lock No. 1, with its weirs and entrance walls. This contract is progressing satisfactorily, and a very good showing has been made during the past year on the various works comprised within the contract. The estimated cost of section No. 1, based on schedule rates, is $3,487,725, and $1,529,120 has been paid to date.

[Mr. Reid.]

Section No. 2, which is under contract to Messrs. Bauldry, Yerburgh and Hutcheson, includes, in addition to the excavation of the canal prism, the construction of locks Nos. 2 and 3, with their regulating and waste weirs, the substructure of four bridges, in addition to the one over the head of lock No. 2, and a large amount of watertight embankments, and the contractors have been prosecuting the work vigorously during the past season. Their operations, in the main, have consisted of prism excavation, building watertight embankments, and the construction of the breastwall and upper west entrance wall of lock No. 2. The estimated cost of section No. 2, based on schedule rates, is $5,377,185.75 The amount paid to date is $2,351,970.

The work on section 3 is under contract to Messrs. O'Brien & Doheny and Quinlan & Robertson, and comprises a very large amount of work, aggregating about $10,000,000 in value, and consisting principally of the excavation of 2,700,000 cubic yards of rock and 3,400,000 cubic yards of earth, the diversion of the Grand Trunk railway (Welland division), which was rendered necessary in order to obtain satisfactory location for the canal, the building of a large earth dam with concrete core walls, the building of twin locks Nos. 4, 5 and 6, in flight, and single lock No. 7, which, together with their entrance walls, etc., will contain about 1,200,000 cubic yards of concrete. The contract also comprises the crushing and furnishing of 1,250,000 tons of stone for concrete for sections Nos. 1 and 2. On this contract $2,249,290 has already been paid.

Section No. 4-A is a small contract for certain portions of work which were to have been included in section No. 4, which could not be deferred when it was decided to postpone the letting of the larger contract. This has been completed by the contractors, Messrs. Maguire & Cameron. The work was estimated to cost about $80,000, and did cost $72,731.31. It consisted of the construction of a new supply weir opposite lock No. 25 on the present canal, to supply water to the old canal in place of the one at Allanburg, which is being discontinued as the old canal between Allanburg and the new weir is being filled in with excavated material from section No. 5, also the construction of two reinforced concrete culverts to take the place of open ditches across the area between the present and the old canal, which is also being used as a dumping ground for excavated material from section No. 5.

Section No. 5 is under contract to the Canadian Dredging Company, Limited, and consists of the deepening and widening of the "deep cut," in the present canal between Allanburg and Port Robinson, to the new dimensions. Dry excavation above the waterline in canal has progressed continuously during the past year, with the exception of a short interval last winter. Four or five steam shovels are operating day and night, the material mostly being disposed of on the dumping ground on section No. 4 between the present and the old canal. A long embankment dumped from a trestle has been formed which, with the present canal towpath, encloses a large area of low ground which has to be filled to canal towpath level by the hydraulic suction dredge, thus reclaiming and making it valuable. The balance has been used to fill in low ground near Port Robinson. On schedule prices this contract should cost about $1,945,788, and $903,720 has been paid to date.

Domestic Water Supply.

The construction of the Welland Ship Canal will interfere with the domestic water supply of several municipalities. This has been the subject of negotiations and conferences between the municipal representatives and Mr. Cochrane and his superintending engineer, and a tentative agreement has been entered into between the department and the different municipalities under which the department is to assume the cost of building a pipe line to carry water from Lake Erie to the reservoirs of the municipalities of Welland, Merritton, Thorold and St. Catharines, to supply pure water in place of the polluted water which will enter the canal through the Welland river, when that river is absorbed in the canal system. The department assumes the cost of building the pipe line, and the municipalities are to pay a fixed annual rental for the same. No actual work has been done in connection with the proposed pipe line, although experiments are being made on a three hundred foot piece of thirty-inch reinforced concrete pipe, which is being built at Port Colborne. Should these experiments be successful, this system of construction will be recommended for adoption. It will take about two years to complete the line after active operations on it are begun.

The work in connection with these ship canal contracts and the letting of further contracts is not being pressed by the Government as fast as probably it might have been had war conditions not rendered advisable the keeping of departmental expenditures as low as possible while the conflict continues. Although this may delay the completion of the work for a time, it is felt to be the proper course to pursue.

St. Peter's Canal.

The improvement of this canal, as designed, consists of the construction of a new lock and entrance at the Atlantic end. The contract was let to W. H. Weller, of St. Catharines, and work was commenced in May of 1912 and continued through the seasons of 1912 and 1913. As a result of new borings taken in February, 1913, to more accurately determine the surface of the rock, it was found that the greater part of the new lock, as designed, did not rest on solid rock. It was considered advisable, therefore, to adopt a new location for the lock and make a radical change in the entrance. A supplemental agreement to the contract was accordingly entered into in June of 1914 under authority of order in council, and in accordance with conditions as explained by me to the House on May 29, 1914. (Hansard proceedings, page 4480). The changes decided upon necessitated the closing of the canal to navigation for one year and work was immediately undertaken for the unwatering of the canal. On the outbreak of war, however, it was considered advisable to keep the canal open for navigation, and the contractor was obliged to stop all work in connection with the unwatering. In March of 1915, Mr. Cochrane considered that the time had come when the canal might safely be closed so that the construction work might be completed, and since that time satisfactory progress has been made.

Mr. McKENZIE: Can the minister give us any idea when the work on the St. Peter's canal will be completed?

Mr. REID: I was speaking with the chief engineer about that yesterday and he said it would be open for navigation this spring, but I shall probably be able to give my hon. friend more accurate information when we come to the item in the estimates.

Trent Canal.

This canal is familiar history to most members of this House, having formed a

part of the annual Budget of the Minister of Railways and Canals for a couple of generations. It is very satisfactory to know that our engineers hope to have that portion of the canal between the city of Peterborough and lake Ontario known as the Ontario-Rice Lake division completed and open to navigation by the spring of 1917. The work remaining to be done consists of the dredging out of river channels. All the structures have been completed except the reconstruction of the Grand Trunk railway bridge at Campbellford, the completion of a few sluices in dam No. 10, which have been held back pending the execution of the bridge reconstruction, and the hanging of lock gates between Glen Ross and Healey falls. Upon completion vessels having a draft of eight feet will have access to Peterborough from the Great Lakes. This will be an event of considerable importance to the communities along that section of the canal. The total estimated cost of the Ontario-Rice Lake division is $7,660,000, of which about $750,000 remains to be expended.

Negotiations have been concluded with officials of the railway for an agreement whereby the bridge will be reconstructed as a high level structure instead of a swing span, as originally proposed, and the work will be proceeded with this season.

On the Georgian bay end, of the Severn division, the Port Severn lock and the approaches thereto have been completed giving access to Gloucester pool from Georgian bay. Good progress has been made upon sections Nos. 2 and 3, which provide for the canalization of the upper reaches of the river. Owing to the war we have held back the letting of section No. 1, which will be necessary for through navigation. The total estimated cost of the Severn division is $3,575,000, of which work to the value of about $1,250,000 has been done.

The construction of the Trent canal has resulted in the development of a large amount of water-power, which will be of very great assistance in the industrial upbuilding of Eastern Ontario. In fact, this electrical development is the key to the situation. Unfortunately, some years ago these powers were leased to parties at nominal rentals on the understanding, as I am informed, that they were to be developed and the people would enjoy the benefits of this development. Now these powers have been alienated but the people are not obtaining the benefits they expected. For instance, some of these powers have now been under lease for ten

or fifteen years and no development whatever has taken place. The people of Eastern Ontario must have electric power, and I understand negotiations are on at the present time between the Ontario Government and the lessees of these water powers, and the Ontario Government is trying to arrange that these powers shall be developed. If these negotiations do not succeed, and should it become necessary, I shall recommend that a bill be brought down cancelling these leases and returning these powers to the Crown so that the people may have the benefit of a new deal.

Five hundred and seventy-three employees of the Department of Railways and Canals and Canadian Government Railways have been granted leave of absence to enlist for overseas service under the various Orders in Council dealing with the enlisting of government employees. The list is as follows:

Departmental staff, inside service	5
Hudson Bay railway	14
Dartmouth-to-Dean's branch	4
Welland ship canal	24
Welland canal	4
Rideau canal	5
Sault Ste. Marie canal	1
Trent canal	15
Quebec bridge	2
Car ferry terminals, Cape Tormentine and Carleton point	1
Commissioners of the Transcontinental railway	8
Board of Railway Commissioners	3
Canadian Government railways:	
Intercolonial railway	455
Transcontinental railway	19
Prince Edward Island railway	12
St. John and Quebec railway	1
Total	573

Eight of those who have reached the front have been killed in action, two have died since enlisting, and a number are included among those who are missing or wounded.

The officers and employees of Canadian Government railways have made two contributions of one day's pay to the Canadian Patriotic Fund, amounting to $37,973.64.

In connection with the inside service, I think it is only fair to state that a number of officers and clerks have applied for permission to enlist, whose services it was felt could not be spared at the present time because of their close and intimate knowledge of departmental matters under their immediate charge. I have particularly in mind two officers viz.: Mr. Graham A. Bell, financial comptroller and Mr. L. Sherwood, assistant to the chief engineer. Both are keen military men who have been anx-

ious to enlist for active service, and who would be at the front now but for the fact that they occupy executive positions of such importance that they cannot well be spared.

Before concluding I wish also to add that since war was declared in August, 1914, the work of the Railway Department has been very greatly increased, thus entailing much extra work on our officials, and I desire to place on record here my appreciation of their good service in these trying times. I may say, Sir, that having been only a few days in the department, I collected from the members of the staff the information contained in the statement that I have just made, and I thought it better to put it in this form so that all hon. members could understand it. I thank the members of the committee for listening to me, and I hope the information I have given will be of benefit. As we proceed with the items of Supply, I shall be very glad indeed to give the very fullest information that may be required with regard to the several appropriations.

Mr. GRAHAM: I wished to make some rather extended remarks. It is pretty late now, and I would suggest that we adjourn.

Progress reported.

On motion of Mr. Rogers, the House adjourned at 10 45 p.m.

Friday, March 10, 1916.

The House met at Three o'clock, the Speaker in the Chair.

FEDERAL PLAN COMMISSION.

Sir THOMAS WHITE (Minister of Finance): Mr. Speaker, I beg to lay on the table of the House the report of the Federal Plan Commission on a general plan for the cities of Ottawa and Hull. The members of the House will be supplied with copies by the Distribution Office, and I have inscribed copies for the Prime Minister and the leader of the Opposition. The commissioners are: Sir Herbert S. Holt, chairman; Sir Alexander Lacoste, P.C.; Mr. Frank Darling, F.R.I.C.A.; Mr. R. Home Smith; the Mayor of Ottawa; and the Mayor of Hull. It was the intention to accompany the report with plans and drawings which it was proposed to exhibit in a room in this building, but no such room is available. We have therefore arranged that the plans and drawings shall be exhibited in the City Hall of Ottawa, on and after Monday of next week, and I sincerely hope that members will avail themselves of the oportunity of seeing them.

REPORTS AND PAPERS.

Additional Order in Council and copies of telegrams in reference to the commandeering of wheat.—Sir George Foster.

RELIEF OF GRAIN CONGESTION.

GRAIN ACT AMENDMENT BILL.

Sir GEORGE FOSTER (Minister of Trade and Commerce) moved for leave to introduce Bill No. 58, to amend the Canada Grain Act.

He said: The purpose of this Bill is to amend section 207 of the Canada Grain Act by adding to it a clause which shall be named clause "e." I will read the section so that it may be on Hansard. It is in reference to the powers of the Board of Grain Commissioners:

> The board may in its discretion order cars to be supplied contrary to the provisions of this part (a) to elevators that are in danger of collapse; (b) to places where grain is damp and thereby liable to become damper; (c) for the purpose of distributing seed grain to any point in the western division; (d) in case where the operator of any country elevator reports in writing under oath that some portion of the grain in such elevator is heated and that in order to preserve such grain it is necessary to ship such heated grain to a terminal elevator for treatment, provided, however, that no relief shall be granted in such last-mentioned case as long as the warehouseman has sufficient room in his building for the rehandling of such grain.

Section "e," which it is proposed to add by way of amendment, reads as follows:

> (e) whenever, after due examination, the board considers it necessary and advisable in order to relieve congestion and facilitate the despatch of grain.

It is proposed to give that additional discretionary power to the Board of Grain Commissioners. That amendment was proposed when the Act was last under discussion in the House; it was, I think, passed by the House, but was not passed by the Senate, and so did not become law. With the peculiar condition of things in the West

at the present time, particularly with reference to congested districts, not only where there is a congestion of grain but where a large portion of that grain is unhoused and therefore exposed to danger and deterioration and loss as soon as the warm weather sets in, it is proposed, under this added power given to the Board of Grain Commissioners, to enable them, despite the other sections of the Act, to order in special cars for the relief of that kind of distress. I will not go into an argument with reference to it. I think that hon. gentlemen, particularly from the Northwest, who know the present condition of things, will feel that it is necessary that this added power be given in order to provide for relief in these instances. I would ask hon. members to look into the Bill and, when we come to it the second time, put it through, if possible.

Motion agreed to, and Bill read the first time.

PRIVATE BILL INTRODUCED.

Bill No. 56, respecting certain patents of Stone, Limited.—Mr. Cockshutt.

VANCOUVER HARBOUR BILL.

On motion of Hon. J. D. HAZEN (Minister of Marine and Fisheries), the House went into committee on the following proposed resolution:

That it is expedient to amend the Vancouver Harbour Commissioners Act, chapter 54, of the statutes of 1913, by providing that the corporation may make by-laws for the imposition of tolls, rates, fees and dues, other than pilotage dues, sick mariners' dues and steamboat inspection fees.

Mr. PUGSLEY: Before my hon. friend the Minister of Marine and Fisheries asks the committee to go into the consideration of this resolution, I would like to call his attention to the fact that last evening at the close of business, when the hon. Minister of Public Works (Mr. Rogers) was leading the House, he was asked what would be the business taken to-morrow, and the reply was: "We will go into Supply, taking up the Estimates of the Department of Labour, Marine and Fisheries," etc. If I had known this resolution was coming up to-day I would have asked my hon. friend to be prepared to give the committee a full statement with regard to the work the Vancouver Harbour Commissioners are carrying on. I understand that there is a good deal of dissatisfaction in the minds of the people of Vancouver in regard to this work, and I think it is desirable that the reclamation and other work which the commissioners are doing should be fully explained to the committee.

Mr. HAZEN: We could let the resolution pass, and I would be prepared to give a full statement on the first reading of the Bill.

Mr. PUGSLEY: All right, on that understanding.

Mr. HAZEN: I do not wish to enter into a discussion just now, but my information with regard to the work the commissioners are doing in Vancouver is diametrically opposed to that of my hon. friend.

Mr. PUGSLEY: There have been some differences of opinion among the people of Vancouver recently, as instanced by the election there a few days ago, and perhaps my hon. friend is not correctly informed as to public sentiment with regard to the work of the Harbour Commission.

Mr. HAZEN: I do not think my hon. friend wishes to question the competency of the Vancouver Harbour Commission. If this resolution passes, the Bill founded thereon will provide an amendment to the present Act by striking out a few words. The Vancouver Harbour Commission was created by Act of this Parliament in 1913, and among other powers conferred upon the commissioners was the power to make by-laws for various purposes. Subsection "t" of section 19 of the Act deals with the power of the commissioners to impose tolls, and is as follows:

(t) The imposition of such tolls, rates, fees and dues, other than pilotage dues, sick mariners' fees, and steamboat inspection fees, as would be payable in the case of a harbour to which the Canada Shipping Act applies.

The amendment strikes out this subsection, and substitutes another, which is exactly the same in every respect, except that the words "as would be payable in the case of a harbour to which the Canada Shipping Act applies" are stricken out. The reason is that the words which it is proposed to strike out preclude the commissioners from making any charges for harbour dues, other than those provided in the Canada Shipping Act; or, in other words, tonnage dues in Vancouver harbour should not exceed the rates prescribed by

the Canada Shipping Act, or a maximum of $5 per entry for two entries, but not payable more than twice in any calendar year.

It is necessary that further revenues should be obtained if the Victoria Harbour Commissioners are to carry on their work efficiently, and the amendment will enable the commissioners to raise more revenue. Of course, whatever by-laws the commissioners pass are subject to the approval of the Governor in Council. My information is that this matter has been taken up with the shipping companies whose ships use Vancouver harbour, and who are interested in its development and proper maintenance, and that the amendment meets with their approval. They are anxious that the commissioners should have funds to maintain the harbour properly, and are willing to pay their proper contribution, in order that proper appliances may be obtained for fighting fire along the wharves and docks at the water-front, and that the harbour may be well managed and up-to-date. I shall be very glad to give my hon. friend the information which he desires on the first reading of the Bill.

Mr. PUGSLEY: I shall be glad if my hon. friend will give the committee that information on the first reading of the Bill, and also some information with regard to the work at False creek. I am told that instead of enlarging the facilities for shipping there, the commission are really engaged in filling in False creek, for the benefit, I suppose, of some of the railway companies. Another point on which I should like some information, because it is allied with harbour development work, is the contract which has been given to the Amalgamated Dry Dock Construction Company, for the erection of a dry dock, I am told. I am informed that the company has been allowed to take in the real estate for the building of that dry dock, for what seems to be the enormous sum of something over $500,000, and that they will receive interest from the Government upon that sum in the way of subsidy.

Mr. HAZEN: That does not come under my department, but under Public Works.

Mr. PUGSLEY: It is a Government matter and closely connected with the harbour development. I am told that upon these two matters there is very, very strong feeling among the people of Vancouver, and I have been asked to get all the information I possibly could upon the subject.

Mr. STEVENS: I do not wish to delay the committee at any length, but I am quite certain that my hon. friend from St. John is misinformed on this subject. The work he refers to at False creek is the reclamation of a tidal flat which is bare at every tide. Consequently, the work the commissioners are doing there could not possibly increase the obstructions to navigation. Furthermore, the channel, which was only two feet deep at low tide, is being dredged to 22 feet, and it will be 350 feet wide. This tidal flat is being reclaimed by the Harbour Commission, and is not being leased or given away to railway companies. The Harbour Commission are going to lease it for industrial purposes, and the grant from the Government to the Harbour Commission includes a clause preventing them from subletting the land without the approval of the Governor in Council. So that my hon. friend will recognize the item when the matter comes up again, I would point out that this is the very piece of property in reference to which he had an Order in Council prepared when he was Minister of Public Works, giving the land to private individuals to exploit. At that time I was a member of the city council of Vancouver, and bitterly opposed that proposition. We succeeded in sending down a resolution from the city council, and eventually the Order in Council was not passed.

Mr. PUGSLEY: What was the date of that?

Mr. STEVENS: About 1910. I can give my hon. friend the exact date later. The policy of the city council then—and it always has been the policy of the city of Vancouver as a whole—was to have such lands controlled by public bodies, for public purposes, and not alienated by private interests. A few of those whose interests are affected certainly oppose this policy of public control. With the dry dock the harbour commissioners have nothing to do at all. The dry dock is very badly needed, and would have been under construction but for the outbreak of the war. It was granted under the Dry Dock Subsidy Act, and not one dollar will be included in the Estimates which is not carefully checked over by the chief engineer of the department. I do not think that should be considered in connection with the activities of

the Harbour Board. When the matter, if it is to be delayed, comes up again, I shall be most happy to give all the information I have, and the minister also will have much more information to give.

Mr. PUGSLEY: I shall be very thankful for full information. My hon. friend refers to an Order in Council which was being prepared in 1910 for handing over False creek to private parties.

Mr. STEVENS: The portion to which my hon. friend refers is now being reclaimed by the Harbour Board. It comprises forty-two acres.

Mr. PUGSLEY: My recollection does not agree with that of my hon. friend. I remember that some question came up on an application from the city of Vancouver to be given control.

Mr. STEVENS: That is another portion altogether.

Mr. PUGSLEY: I do not remember any application to give any part of the harbour to the control of private individuals. My hon. friend may be right, because one cannot remember all that took place, but I would be very glad if he would produce a copy of the report in regard to the matter.

Mr. STEVENS: Certainly. There is a copy on file.

Mr. PUGSLEY: There must be a report either from myself or from the then Minister of Marine and Fisheries, and, as my hon. friend has the matter in hand, probably he will be able to produce a copy when the time comes.

Mr. STEVENS: Yes.

Mr. PUGSLEY: With regard to the drydock, which, my hon. friend says has nothing to do with the harbour, I beg to differ from him.

Mr. HAZEN: Nothing to do with the Harbour Commissioners.

Mr. PUGSLEY: Still it has to do with the whole question of harbour improvement; and, if the Government is a party to the payment of the enormous sum of half a million dollars for land in connection with the drydock away over on the northern side of Burrard inlet—and such an amount is very excessive, because, if the Government pays 3½ or 4 per cent on that for 35 years, it is almost equivalent to the Government paying for the land—the Government will not be so ready to give grants of other moneys for the necessary development of the harbour of Vancouver. Therefore, in the interest of my hon. friend, who, I am told, has had a great deal to do in pressing forward the matter of this drydock, it would be desirable to give to the House and to the public generally all information with regard to these matters.

Mr. HAZEN: Certainly.

Resolution reported and concurred in.

Mr. HAZEN thereupon moved for leave to introduce Bill No. 59, to amend the Vancouver Harbour Commissioners Act.

Motion agreed to, and Bill read the first time.

GOVERNMENT INSPECTION OF HOGS.

On the Orders of the Day:

Mr. HAZEN: Yesterday my hon. friend from West Kent (Mr. McCoig) asked a question in reference to Government inspection of hogs, and I told him that I would get the information and give it to him to-day. I find my hon. friend's words reported in Hansard as follows:

> Mr. McCoig: Mr. Speaker, I would like to draw the attention of the Government to the market quotations in the London Free Press. The quotation for hogs is as follows:
>
> Hogs, fed and watered, $9.50, less one-half of one per cent for Government inspection.
>
> I would like to call the attention of the Government to the fact that hog buyers throughout the country have been deducting the price of hogs one-half of one per cent for the government inspectors. As I understand, the inspectors who are employed by the Government are paid by the Government. If these men have been collecting this percentage, have they been returning it to the Government, or have they any right to make this claim upon the farmers who are selling hogs to them?

I called the attention of the Veterinary General of the Department of Agriculture to the matter, and have received from him this memorandum:

> I have been informed that the custom has arisen during the last year or two of deducting from the price paid to drovers or farmers one-half of one per cent on all hogs purchased. This deduction has apparently been agreed upon by the Canadian packers as in their opinion a fair equivalent for the losses which they suffer through animals condemned by Government inspection and pronounced unfit for food.

The money which is thus deducted from the purchase price of the hogs is retained by the purchaser and in no way goes to cover the cost of Government inspectors, their salaries being paid by the Dominion Government. It is misleading to state that one-half of one per cent is deducted for Government inspection; such is not the case. It is deducted for the benefit of the packer and to compensate him for possible losses from condemnations.

ALLEGED SUPPRESSION OF RECRUITING.

On the Orders of the Day:

Mr. BURNHAM: I would like to ask the Acting Minister of Militia if he is aware that a propaganda is about to be established in Canada for at least the partial suppression of recruiting. Pastor Russell, an American gentleman, I understand, is about to invade this country with some conscientious scruples.

Mr. KNOWLES: We will charge him duty on them.

Mr. BURNHAM: The Montreal Evening News of March 9 sets out the matter in detail. To-day I received a telephone message from the colonel of the 93rd Battalion at Peterborough asking me to take some immediate steps to preclude the possibility of Pastor Russell's offending in this way at Peterborough, where he proposes to hold a meeting on the afternoon of Sunday. The commanding officer of the 93rd informs me it is well known that the intention is to inform the people that it is not their duty to enlist, and also to tell them how they may get out of enlisting, and at the same time satisfy their consciences and also the exactions of Holy Writ. Would the Acting Minister of Militia be good enough to take this matter into his immediate consideration?

Mr. KEMP: The Government, so far as I know, are not doing anything to retard recruiting in this country, but are doing everything possible to encourage it. I have not read the article to which my hon. friend has referred.

SEED GRAIN INDEBTEDNESS.

On the Orders of the Day:

Mr. KNOWLES: I beg to ask the Minister of the Interior a question with regard to the collection of seed grain indebtedness which we had under discussion over a month ago. On that occasion the minister was kind enough to promise that he would see that only half of the amounts were collected, even from those who were so unfortunate as to have executions against them. That was done. The minister made a further distinct promise that to those from whom collections had been made in full, he would see that a refund of 50 per cent was made.

The file brought down does not show that steps were taken to fulfil that part of the undertaking kindly given by the hon. minister. I would ask what steps he has taken to see to the refund being made in the cases where one hundred per cent has been collected. And if the matter has unfortunately escaped his attention, will he see to it at once that such a refund is made? I have before me the telegram of February 2, and nothing is said in it on that point.

Mr. ROCHE: I suppose the hon. gentleman refers to a refund where seizure has been made?

Mr. KNOWLES: Yes, where collection has been made through the sheriff.

Mr. ROCHE: What had the hon. gentleman in mind—a refund to whom?

Mr. KNOWLES: To the homesteader.

Mr. ROCHE: I do not think it is the intention to make a refund to the homesteader, I do not think we could legally do that.

Mr. KNOWLES: My hon. friend and I will not quarrel about what he said, but I might say that Hansard understood him as I did. The very distinct understanding that I received from the minister's statement was that he would refund in cases in which the homesteaders, against whom there were executions, were compelled to pay one hundred per cent.

Mr. ROCHE: The hon. gentleman is a lawyer, and I am not; but I understand that where the sheriff has an execution against a man's grain crop, and makes a seizure, all the money is supposed to be paid to the sheriff. If the Government were to collect all their money as a first lien, and then were to hand back a portion, they could not very well hand it back to the man against whom the execution was made, but would have to make the refund

to the sheriff. We have some requests from some homesteaders, who have been thus seized upon, to collect in full and not to hand any back to the sheriff.

Mr. KNOWLES: We are getting away from the point. Did I misunderstand the minister, or did he say, that he would see to it that half the amount was refunded, either to the sheriff or direct to the homesteader?

Mr. ROCHE: That point is now engaging the attention of the department.

WOMAN SUFFRAGE.

On the Orders of the Day:

Hon. FRANK OLIVER (Edmonton): I have received a telegram, and see no better way of having the wishes of the senders met than by reading it to the House:

Edmonton, Alta., March 9, 1916.

Hon. Frank Oliver,
Ottawa, Ont.

As we have had no reply to previous telegram, will you as member for Edmonton present the following to Sir Robert Borden: "The Women's Institute of Alberta and the Women's Industrial Association of Edmonton, at luncheon to-day wish to know if your Government has definitely decided against woman suffrage. Have we anything to hope from you?"

Isabel A. Nobel,
President, the Women's Institute of Alberta.

M. V. Macdonald,
President, the Women's Industrial Association of Edmonton.

Sir GEORGE FOSTER: I hope my hon. friend will be kind enough to send me that telegram. I will convey the wishes of the ladies to the Prime Minister, and if the hon. gentleman will bear the expense of a telegram, I hope he will beg the ladies to keep up their hopes until they get an answer.

COAL SHORTAGE IN NOVA SCOTIA—LACK OF SHIPS.

On the Orders of the Day:

Mr. A. K. MACLEAN (Halifax): Having received a telegram from Halifax on the subject, I desire to call the attention of the Minister of Marine and Fisheries to the fact that the situation there in reference to coal used for bunkering, manufacturing, and domestic purposes is quite serious, owing to the lack of shipping. A great number of steamers owned and operated by the Dominion Coal Company have been commandeered by the Admiralty. Only yesterday, another boat owned by them, the Maskinonge, was commandeered. The effect will be rather disastrous, as it seems that in many parts of Nova Scotia a greater coal supply is absolutely necessary. In Halifax it is particularly important to get bunkering coal for transatlantic and West India boats. I will hand the exact information to the minister, but generally I would impress upon him the necessity of activity in this matter. I am hardly in a position to criticise the action of the Admiralty, but I have heard it stated by shipping men in Canada that there was a lack of method and organization in the manner in which some shipping was commandeered, and I understand that their action in Great Britain has been subject to severe comment there. However, I am not arguing that point; but I wish to urge upon the minister the fact that quite a serious situation confronts us, and that we should have from his department the greatest activity possible in order to meet that situation.

Hon. J. D. HAZEN (Minister of Marine and Fisheries): For some time past this matter has been receiving the consideration and attention of my department, and of the Prime Minister also. The vessels belonging to the Dominion Coal Company which have been commandeered have been taken by the British Government for military purposes. The facts of the case, including a statement of the difficulties that may result, have been placed before the British Government through the acting High Commissioner, Sir George Perley, and are being fully considered by the Admiralty and by the War Office. It is stated by the Admiralty that they regret having to take this course of commandeering vessels in the merchant trade, but are doing so simply because of military necessity made all the greater by reason of the fact that they have to transport not only their own troops but the troops of other countries. I shall be glad to show my hon. friend the correspondence we have had on the subject. There are matters in connection with it that, perhaps, it would not be desirable to make public, but I shall have no hesitation in showing the documents to my hon. friend. I can only say that the matter has been placed before the Imperial authorities, and I think arrangements are being made by

which, I trust, the inconvenience which the people of Halifax and St. John, even more, I think, than the people of my hon. friend's constituency, have suffered, will be remedied.

Mr. E. M. MACDONALD: In this connection, I would call the attention of the Acting Minister of Railways (Mr. Reid), though he is not now in his place, to a situation of a somewhat similar character that arises on land, in my county and throughout the industrial portion of eastern Nova Scotia. Coal consigned by the coal companies to industries, some of them engaged in the manufacture of munitions, has been expropriated by the Intercolonial railway, and the information I have by telegram is that the taking of this coal is resulting in the stoppage of these industries. The necessity weighing upon the railway must be very great if it leads them to the action which produces these results. The hon. member for Halifax having brought the matter up, I shall be greatly obliged if the Minister of Trade and Commerce (Sir George Foster) will call the attention of the Acting Minister of Railways to the fact that the coal situation in my province has become very serious, and it is very important that the railways should not interfere with coal consigned to industries.

Sir GEORGE FOSTER: I will call the attention of the minister to the matter.

SHELL DELIVERIES.

On the Orders of the Day:

Mr. CARVELL: I wish to read a telegram which has just been handed to me; when it has been read, you will understand, Mr. Speaker, why I was anxious to read it at this time. The telegram is dated at Winnipeg, Manitoba, March 10, 1916, and is as follows:

> To-day's press stated, in effect, that you in the House yesterday stated that up to a month ago a number of companies, including Manitoba Bridge and Iron Works, Winnipeg, had not made any deliveries of shells on their shell contract. The Manitoba Bridge Company commenced shipment on thirtieth of July last, completed their first contract in December, their second contract in February, and their third will be completed in April, completing all contracts on time. Your statement being an injustice to this company, please correct in House.
>
> Manitoba Bridge & Iron Works, Ltd.

I find on looking up Hansard that I did make the statement practically as contained in this telegram. While I have had no opportunity of consulting my notes or of verifying the matter one way or the other, I must take it for granted that the facts are as stated in the telegram. It may be that in the large number of documents from which I was reading, and in the multiplicity of statements, I got mixed up in some way. However, whatever the case may be, I gladly read the telegram, because I should not want to do injustice to any person in connection with a matter so important as this.

Mr. ROGERS: I can quite understand my hon. friend's becoming badly mixed, but I am sorry that he included in his statement such a reputable company as the one to which he refers. This company has one of the best reputations in the Dominion of Canada for carrying out its work.

CALGARY ELEVATOR CHARGES.

On the Orders of the Day:

Mr. BUCHANAN: I should like to ask the Minister of Trade and Commerce if any changes have been made in the storage charges at the Calgary storage elevator. If so, what is the nature of the changes, and how long are they to be in effect? I read in the press the other day that the Grain Commission were allowing grain to be stored free in that elevator, in order to relieve the congestion in Southern Alberta. I want to know whether or not that statement is correct.

Sir GEORGE FOSTER: I think that statement is correct. For a period at least, in order to relieve the congestion and to induce people to put their grain under roof and have it well cared for, they are carrying it free of charge—not free of elevation charges, of course.

Mr. OLIVER: Not free of elevator charges?

Sir GEORGE FOSTER: Not free of elevation charges—free of storage.

COMMANDEERING OF WHEAT.

On the Orders of the Day:

Sir WILFRID LAURIER: The other day I called the attention of my hon. friend the Minister of Trade and Commerce to the fact

that the report brought down with regard to the commandeering of wheat was incomplete. I am not aware that the report has since been complete.

Sir GEORGE FOSTER: To-day I put in the Order in Council what had been left out, and the telegrams in connection therewith. With reference to the cablegram mentioned, upon the instructions contained in which we proceeded to purchase the wheat, I am sorry to say that I do not think it is in the public interest that that should be brought down, for the reasons that I have stated; that it is a cablegram which involves practically all the negotiations which were in progress with the Government of Great Britain with regard to sales to the allied Governments. I am quite prepared, however, to let my right hon. friend see that telegram, if he wishes, for his own satisfaction.

PAYMENTS TO H. P. DUCHEMIN.

On the Orders of the Day:

Mr. SINCLAIR: I do not want you to think, Mr. Speaker, that we are too inquisitive on this side of the House, but I wish to draw the attention of the Secretary of State to the importance of seeing that his officers give correct answers to the questions put by members. At the last session of the House I inquired as to the amount of money paid to Mr. H. P. Duchemin for his services in connection with the dismissal of officials in the province of Nova Scotia. The reply that I received at that time was: $6,681.05. But, supposing that he might have been prosecuting his work during the year and that more money might have been paid to him, I put the question again a few days ago, and in the answer the amount given this time was $4,675.50, a difference of $2,000.

Sir GEORGE FOSTER: A difference of exchange.

Mr. SINCLAIR: In order that the Secretary of State may be able to trace the mistakes, I will read the amounts as given in the Hansard of last year and of this year, reading the amounts for 1916 first:

	1916.	1915.
Agriculture	$ 75 00	$ 124 60
Customs	813 70	1,190 00
Interior	15 00	26 31
Marine	1,181 25	1,691 10
Militia and Defence	36 80	36 80
Post Office Department.	817 50	1,242 01
Public Works	371 25	441 63
Railways and Canals	1,365 00	1,928 60

I trust that the Secretary of State will look into this matter and give us the correct figures.

Mr. HAZEN: May I ask the hon. member for Guysborough if he asked for the same information on each occasion? Is it not a fact that in one year he asked for the amount paid Mr. Duchemin for his services, and in the other the amount paid for his services and expenses; and does that not account for the apparent discrepancy?

Mr. SINCLAIR: The questions were not worded exactly alike, but I think that they have exactly the same meaning. In 1915 I asked for the amount paid Mr. Duchemin for services and expenses, and in 1916 I asked:

> That is the gross amount paid to H. P. Duchemin, barrister, of Sydney, N.S., by the present Administration for his services since October, 1911.

Mr. CASGRAIN: Gross amount for his services.

Mr. SINCLAIR: Gross amount paid Mr. H. P. Duchemin, including everything.

Mr. PUGSLEY: That would include travelling expenses.

Mr. CASGRAIN: Not at all.

Mr. SINCLAIR: If that is the explanation, I assume that the Secretary of State will give it to me, together with the particulars of each item.

INSURANCE COMPANIES EXTENSION BILL.

On motion of Sir Thomas White, the House went into Committee on Bill No. 34, to authorize certain extensions of time to insurance companies, Mr. Rhodes in the Chair.

On section 1—extension of time for applying for license:

Sir THOMAS WHITE: The purpose of this Bill is to extend until the end of the next session of Parliament the charters of life insurance companies whose power to apply for license under the provisions of the Insurance Act, 1910, will expire before that time. It is on all fours with the Bill which was introduced and passed into law during last session of Parliament. Its object is to obviate the necessity of the life

insurance companies in question applying for extension by private Bill. The matter was carefully considered by the Banking and Commerce Committee; no objection is made, as far as I can see, to the passing of the Bill.

Mr. A. K. MACLEAN: The legislation is exactly the same as that of last year?

Sir THOMAS WHITE: Yes.

Section agreed to.

Bill reported.

BANK LOANS TO FARMERS.

BANK ACT AMENDMENT.

On motion of Sir Thomas White, the House went into Committee on Bill No. 33, to amend the Bank Act, Mr. Rhodes in the Chair.

On section 2—bank may lend on security of live stock:

Sir THOMAS WHITE: This Bill received very careful consideration by the Banking and Commerce Committee. Some sections were re-cast, and I think that I am safe in saying that the Bill, in its amended form, as now before the committee, meets with the approval of all the members of the Banking and Commerce
4 p.m. Committee who were present when it was under consideration. Some members from the West who took considerable interest in the Bill when it was under discussion on the occasion of the second reading, were good enough to give expression to their views in committee, and I think that nearly all the objections that were suggested have been met.

Mr. MACDONALD: Is the word "horses" in subsection 12 wide enough to cover both male and female species? It might be urged that if you use specific language in regard to any other class of animal, you should use it also in respect of the equine species.

Mr. A. K. MACLEAN: I think the Interpretation Act would cover that.

Sir THOMAS WHITE: I think it would, but my hon. friend calls attention to the context. There is no objection to inserting the words "horses and mares."

Mr. PUGSLEY: I remember that a very distinguished judge, in addressing a jury, gave a definition which may be of interest to my hon. friend. He said that the word "bovine" came from the Latin word "bovus," which means ox, both male and female. Perhaps that interpretation would apply to this case.

Sir THOMAS WHITE: I think it would, but there is no objection to the amendment.

Section, as amended, agreed to.

Bill reported.

LIFE INSURANCE COMPANIES INVESTMENT BILL.

Sir THOMAS WHITE moved the second reading of Bill No. 35, respecting the investments of life insurance companies.

He said: Mr. Speaker, this is a measure referred to in the Budget speech. It provides that life insurance companies, both Canadian and non-Canadian, shall, within a certain period, invest a portion of their assets in Dominion currency debentures or securities. The object we have in view is to ensure a market to that extent for Dominion securities which we may issue during the period of the war.

Mr. A. K. MACLEAN: What will it amount to?

Sir THOMAS WHITE: The superintendent of insurance thinks we will obtain from $15,000,000 to $20,000,000 in addition to the amount which has already been taken up by life insurance companies.

Sir WILFRID LAURIER: How much is that?

Sir THOMAS WHITE: They have taken about $7,000,000 of the domestic war loan and to the extent that they hold the war loan they will have complied with the provisions of this Act. The provision is that:

> Every Canadian company licensed under the Insurance Act, 1910, to transact the business of life insurance shall invest in, and, on the said thirty-first day of December, shall hold and own securities of Canada to the amount of not less than fifty per cent of the increase in the net ledger assets of such company during the year one thousand nine hundred and fifteen after deducting from such increase (a) the amount of increase during the said year in the actuarial reserves held by the company in respect of its policies in force outside of Canada, and (b) the amount of increase during the said year in loans, liens and premium obligations on its policies in force in Canada.

The object of the exceptions will be obvious. Companies must maintain actua-

rial reserves in respect to their policies in force outside of Canada and they are also obliged under the terms of the policy to make loans upon their policies. We are dealing only with the matter of net ledger assets in the case of Canadian companies. In regard to non-Canadian companies, it is provided:

After the fifteenth day of February, one thousand nine hundred and sixteen—

Which was the date of the Budget speech.

—and deposit of securities in respect of the business of life insurance required or permitted by the Insurance Act, 1910, to be made prior to the first day of January, one thousand nine hundred and eighteen, with the Receiver General or with a Canadian trustee or trustees appointed under and for the purposes of the said Act by any company licensed under the said Act to transact the business of life insurance in Canada other than a Canadian company shall consist of securities of Canada.

The securities of Canada are defined in the interpretation clause of the Act as being "debentures, debenture stock, bonds or other securities of Canada payable only in the currency of Canada." We have less hesitation in introducing the measure because life insurance companies, for reasons which I shall go into when the taxation measure is under consideration, have been exempted from its provisions. In addition, under the present conditions, the securities of the Dominion yield a fairly high rate of interest. Of course, they can obtain no better class of investment either for themselves or for their policyholders.

Mr. SINCLAIR: Does it relate to future investments only?

Sir THOMAS WHITE: It relates to the years 1916 and 1917. Every Canadian insurance company must, during the present year, invest, if it has not yet already invested, in the securities of Canada, to an amount of not less than fifty per cent of the increase in the net ledger assets of the company during the year 1915.

Mr. SINCLAIR: Will that involve the sale of some of their present investments?

Sir THOMAS WHITE: I think not. The life insurance companies, as far as I know, raise no objection to the proposed legislation. I think it advisable, unless the House thinks otherwise, to refer this Bill to the Banking and Commerce Committee, so that it will receive full consideration, and so that, if any persons desire to be heard, the committee may hear them.

Mr. PUGSLEY: It seems unfair to municipalities and provinces whose bonds are so largely held by insurance companies that it should be limited entirely to the securities of the Dominion of Canada. I do not see why it is considered desirable to discriminate as between Canada and the various provinces, cities and municipalities in Canada. It would seem to me that if a life insurance company, instead of investing in foreign securities, as many of them have done in the past, should place their investments in Dominion, provincial, or Canadian municipal bonds, that ought to be sufficient. The various municipalities, as are also the provinces, are interested in getting a fair rate for their bonds. They are all carrying on works of importance to the country at large and they are making contributions for the purposes of war. I think I am safe in saying that all of the provinces, cities and municipalities have made contributions for the purpose of assisting the Empire in connection with the war. They have contributed for patriotic purposes to the Red Cross Fund, the Patriotic Fund and other funds. I do not see why, in legislation providing for investments in purely Canadian securities, it should be declared as a condition to these companies doing business in Canada, that they must take fifty per cent at least of the securities of the Dominion of Canada. Unless the minister has information to the contrary, I would suppose that it might necessitate these companies getting rid of provincial and municipal securities. Then, take section 5 in regard to securities which companies may be required to deposit under the Insurance Act of 1910 prior to the first of January, 1918; these securities must be entirely the securities of Canada expressly excluding the bonds of the various provinces or municipalities which might yield a little higher rate of interest, but which would be just as safe a security for the insurance company as the bonds of the Dominion of Canada. There ought to be some pretty strong reasons presented for excluding under this Bill the securities of the various provinces and municipalities.

Mr. A. K. MACLEAN: I suppose one answer that would be urged against the objection made by my hon. friend from St. John (Mr. Pugsley) is, that it is very much easier for the municipalities to market their bonds in the United States than for the Dominion of Canada to sell war issues in the United States or in any other market. When the minister referred to this matter in his Budget speech, I was inclined to inquire whether it might not be wise to take

steps to mobilize foreign securities held in this country, or at least to take power to ascertain the volume of foreign securities held here. I remember seeing some years ago, a statement issued by one of our Canadian banks giving a list of its securities, and I was impressed with the large volume of foreign issues which they held as investments. Doubtless the Government of Canada will have to make further war loans, and it struck me that some arrangement could be made whereby our railways, and banks, and other large corporations could make a disposition of their foreign securities and re-invest in Canadian war loans. Perhaps the minister has given consideration to that point; possibly, there may be very little in it. As the minister knows, the British Government have taken steps to mobilize all foreign securities held in England, and they are disposing of them from time to time in order to stabilize exchange. I think this might be worth looking into in Canada.

Sir THOMAS WHITE: With reference to the observations of my hon. friend from St. John, I should be disposed to concur in his views if times were normal, but if we were not at war, this legislation would not be brought down. It is purely a war measure, and arises out of the necessities of the situation with which we are confronted. I have already explained to the House that our expenditure for the war this year may reach $250,000,000, and we are confronted with a financial situation which will involve finding four hundred and twenty-five million dollars or more. Of course, to meet that expenditure, we shall have our revenues to the extent that they are available; but after we have taken that into consideration we are still confronted with a very serious financial situation by reason of the war, and next year we shall be confronted with an equally serious situation. I do not mean to say for one moment that we shall not be able to meet that situation. I am quite sure that we shall be able to meet it, but at the same time it is not to be disguised that the raising of these large sums of money is not, and will not be, an easy achievement. It is, therefore, necessary for us to avail ourselves of any method of adding to our market. This legislation imposes no hardship upon life insurance companies, for the reasons that I have given, and I do not think that it should be objected to by municipalities, or provinces, for the reason that the Dominion has to bear the heaviest burden of the war. It is true, as my hon. friend has said, that the municipalities and provinces have done admirably in contributing to patriotic and other funds, and that they are manfully bearing their part in the war. But when all that has been said, the fact remains that the chief stress and strain of the war falls upon the Dominion exchequer. I do not think it is necessary for me to cite analogous legislation, but the instance which occurs to one's mind most readily is that of the United States during the Civil War. Hon. gentlemen no doubt know that the American banking system dates back to the expedients adopted during the Civil War, when Congress, in order to provide a market for the securities of the United States, legislated that note circulation should be secured by United States bonds.

Sir WILFRID LAURIER: There is quite a difference between the American legislation and this proposal.

Sir THOMAS WHITE: The American legislation made an artificial market for American securities; it compelled the banks to take securities as cover for their note circulation. I think it would be competent for the Dominion Government, even in ordinary times, to provide that life insurance companies should hold a certain portion of Dominion, provincial or municipal securities; I do not think that would be unsound legislation at any time. But this legislation is frankly a war measure, limited to this year and next. It will be of material assistance to the Government in raising money for war purposes.

Sir WILFRID LAURIER: Have the life insurance companies been consulted with regard to this legislation?

Sir THOMAS WHITE: Not specially, but so far as I can learn they do not object to it. I think they regard it as reasonable.

Mr. PUGSLEY: Which section of this Bill will cover foreign insurance companies?

Sir THOMAS WHITE: Section 5.

Mr. PUGSLEY: Why is that section limited? Why should it not be applied to all foreign companies licensed to do business in Canada? Why should they not be compelled to make certain deposits consisting of Dominion bonds, etc.? We know that foreign insurance companies are doing an enormous "life" business in Canada. Why should they not be required, as a condition of obtaining a license to hold a certain amount of Canadian securities? Take one of the big New York companies, like the

Equitable, a company which I suppose has $500,000,000 of securities, and is doing a very large business in Canada. I am only mentioning the Equitable as one of the big American companies. I think it might very well be provided that these foreign companies should, as a condition of their receiving a license to do business in Canada, invest in Canadian securities to an extent proportionate to the business they are doing.

Sir THOMAS WHITE: The Bill goes further than my hon. friend suggests. My hon. friend is probably aware that, as the business of foreign life insurance companies in Canada increases they must increase their deposits, which are held, either by the Receiver General or by trustees, as security for their policyholders in this country. Now, this Bill has in contemplation that such deposits shall, until the first day of January, 1918, be made in Canadian securities only; that is to say, such companies shall not be permitted to deposit any other securities.

Mr. PUGSLEY: That is only for the increases.

Sir THOMAS WHITE: Yes. It would be rather harsh legislation to compel them to sell the vast amount of securities that are now held by the Receiver General or by trustees for the security of policyholders here, and to invest in Dominion securities, which would take the place of the securities. Under the measure as drafted, we provide that Canadian insurance companies shall deposit a certain increase of their net ledger assets in Canadian securities. Now, in order to be fair to them and also to provide an additional market for Canadian securities, we propose to enact that non-Canadian companies, which are required to make deposits in respect of their increased business in Canada, shall make such deposits in Canadian securities. So that the Bill would seem to put both Canadian and non-Canadian companies on all-fours. It must be remembered that they are in competition one with another, and it would not be fair to deal with one class of companies without at the same time dealing with the other.

Mr. PUGSLEY: I am not able to see that. This section only requires the foreign companies to make those additional deposits that are rendered necessary by the increased business between now and the first of January, 1918, in Canadian securities. But we know that foreign life insurance companies, such as the Equitable Life of New York, which I have already mentioned, the New York Life, the Mutual Life of New York, and the English companies, do an enormous amount of life insurance business in Canada, and they are required to make deposits of securities to be approved by the Minister of Finance. Where would be the hardship in requiring those companies to convert their foreign securities into securities of Canada as a condition of their being permitted to continue doing business? If their foreign securities are good, they can easily be converted into cash in the United States. There is a plethora of money in the United States seeking reasonably good security, and it would be the easiest thing in the world for those companies to get rid of their American securities, and there would be no hardship whatever in requiring them to substitute securities of Canada for such securities. I have always thought that in normal times foreign companies should be compelled to invest in securities of Canada, of the provinces, or of the various municipalities. In these war times, when, as the minister says, there is difficulty in raising money and when we are imposing these exceptional taxes upon the people, there can be no ground of complaint if we require these foreign companies to convert into securities of Canada their foreign securities which are now deposited with the Minister of Finance and for which they can easily find a market in the cities where their head offices are.

Sir THOMAS WHITE: This discussion is out of order; but I should like to say, in answer to my hon. friend, that he has overlooked the fact that the deposits made by foreign companies are largely in Canadian investments, such as securities of municipalities and provinces, and mortgages.

Mr. PUGSLEY: Only partially.

Sir THOMAS WHITE: I think largely in Canadian securities.

Mr. A. K. MACLEAN: What does the Insurance Act require?

Sir THOMAS WHITE: I do not think it confines them to Canadian securities; but, as a matter of fact, the deposits made by these companies are largely in Canadian securities or mortgages.

Mr. PUGSLEY: Surely not mortgages?

Sir THOMAS WHITE: Yes.

Mr. PUGSLEY: Deposited with the Minister of Finance?

Sir THOMAS WHITE: No, with trustees, because the Act provided for the deposit with the Minister of Finance or with trustees. Section 5 covers the case of deposits with a trustee or trustees. The suggestion of my hon. friend would mean that these companies would have to sell out their municipal and provincial securities and realize on their mortgages. That would be quite a serious disturbance; and, having regard to the situation as it exists, and the fact that our companies carry on business in foreign countries just as these companies carry on business in Canada, I think we have gone as far as it would be prudent to go.

Mr. PUGSLEY: I did not mean that these foreign companies should be compelled to sell out their existing provincial or municipal securities. What I meant was that all foreign securities, which are now held by the Minister of Finance as a condition of these companies being permitted to do business, should be disposed of, and for them should be substituted securities of Canada. As a war measure, when we are making these exceptional provisions, there would be no harm in compelling that to be done.

Mr. ROGERS: I really think we should get the House in order. We are not in committee just yet. When this Bill goes into committee, this discussion will be in order.

Mr. SPEAKER: Order. This discussion, although interesting, is absolutely out of order, and I would suggest that it take place in the Committee of the Whole.

Motion agreed to, Bill read the second time, and referred to the Select Standing Committee on Banking and Commerce.

WHITE PHOSPHORUS MATCHES ACT AMENDMENT.

The House again in Committee on Bill No. 37, to amend the White Phosphorus Matches Act.—Mr. Crothers. Mr. Rhodes in the Chair.

Mr. PUGSLEY: Is the minister satisfied that the Bill is all right as to form?

Mr. CROTHERS: Yes.

On section 1—extension of time within which matches may be used:

Mr. A. K. MACLEAN: This section repeals section 13 of the White Phosphorus Matches Act, what is that section?

Mr. CROTHERS: It provides that the manufacture of these matches shall cease on January 1, 1915, and that the sale shall cease on January 1, 1916. The effect of this section is to give six months longer to sell out the goods made prior to January 1, 1915, and also to extend the period within which such matches may be used to January 1, 1917. The chief object of the Bill was the protection of those in factories engaged in making these matches. The manufacture ceased at the date mentioned in the Bill, January 1, 1915, but a longer time is required to sell them, and those who buy require a longer time to use them. As the time allowed has expired, it is necessary to date this Bill back to January 1, 1916, which is done by section 2.

Mr. A. K. MACLEAN: What quantity of matches have they on hand?

Mr. CROTHERS: I was given a statement of the number of cases, but have not it before me at the moment. They have on hand a considerable quantity, but they think they will be able to sell them out, in the usual course of business, within six months. My hon. friend from St. John (Mr. Pugsley) seemed to think there was something objectionable in the form of this Bill, but I cannot for the life of me see anything wrong in it. Section 1 provides that the original Act shall contain the wording here set forth. I think there is no objection to the insertion of these words. Then, section 2 provides that the amendment proposed to the Act shall be deemed to have come into force on January 1, 1916. I cannot see that there is anything contradictory in those two sections.

Mr. PUGSLEY: I have great respect for the view of my hon. friend, but I really would like to have his view confirmed by the Minister of Justice, who is the legal adviser of the House. Section 1 repeals section 13 of chapter 12 of the Statutes of 1914, and substitutes the following:

> This Act shall come into force on the first day of January, one thousand nine hundred and fifteen.

—except a certain section that is named. Then, section 2 provides:

> The provisions of this Act shall be held to have come into force on, from and after the first day of January, one thousand nine hundred and sixteen.

Mr. CROTHERS: Not so far as the original Act is concerned.

Mr. PUGSLEY: It does not say so. The result is that you first have a section of the old Act which is to come into force on January 1, 1915, and the Act that brings that

amending section into force does not itself become operative until a year afterwards, namely, January 1, 1916. If the Minister of Justice (Mr. Doherty) says I am wrong in that, I have not a word to say.

Mr. DOHERTY: The effect of section 1 of this Act is to provide that the Act of 1914 shall read as here provided instead of reading as it now does. It puts these words into the Act of 1914. In that case the words "this Act" apply to the Act of 1914, and in effect they are only a repetition of the words that presently are in the Act of 1914; for, as I understand it, the substantial change is to add the proviso. If the Minister of Labour, instead of repealing the entire clause and substituting a new one, had proceeded by saying that this section of the Act of 1914 is amended by adding the following proviso, then section 14 would have read as it will read after this amendment is passed. I do not know whether I am mistaken or not, but it seems to me that the hon. gentleman's difficulty results from the fact that he takes the words "this Act" in the section it is proposed to substitute in the Act of 1914, and the words "this Act" in the second section of this Bill, as applying to the same Act, whereas, as a matter of fact, in the first place these words apply to the Act of 1914, and, in the second place, they apply to this Bill, which will become an Act if it is passed. I do not see any contradiction here.

Mr. A. K. MACLEAN: It is somewhat confusing.

Mr. DOHERTY: I confess that until the hon. member for St. John (Mr. Pugsley) made the suggestion, though I had read the Bill, it did not create any confusion in my mind.

Mr. MACLEAN: Why are the words "section 1 retroactive" put in the margin of section 2 of the Bill?

Mr. DOHERTY: I understand that to refer to section 1 of this Bill being made retroactive, and the effect of that section is to amend the Act of 1914 so as to extend certain delays therein provided. I understand that the reason for making it retroactive is that under the existing disposition of the Act of 1914 offences have already been committed.

Unless this amendment is read as having dated back from the date mentioned in the second section, people might be affected, although we have changed the law now and extended the time during which it was lawful to do what they did.

Bill reported read the third time and passed.

WINDING-UP ACT AMENDMENT.

Hon. C. J. DOHERTY (Minister of Justice) moved the second reading of Bill No. 55, to amend the Winding-up Act.

He said: The purpose and effect of the Bill is simply to correct an anomalous situation that exists in the province of Ontario by reason of the fact that in the Winding-up Act "the court" is declared, for the province of Ontario, to mean the High Court of Justice of Ontario. To "the court" is committed the authority to make rules. Under the present arrangement of the courts in Ontario, there is one court called the Supreme Court of Ontario which has two divisions, the appellate division and the high court division. The result of the present legislation is that, for the purpose of the Winding-up Act, the power of making rules is conferred upon the High Court of Ontario, and, under the general statute made at the time of the change of name, would pass exclusively to the High Court Division of the Supreme Court of Ontario. All other rules of practice in Ontario are made by the judges composing the entire Supreme Court of Ontario, the two divisions. It is represented by them that it is anomalous that we should have this exceptional case under the Winding-up Act, where the rules are made by the judges of one division only.

Motion agreed to, Bill read the second time, considered in committee, reported, read the third time, and passed.

SHIPBUILDING IN CANADA.

The House in Committee of Supply.

Labour, $68,500.

Mr. PUGSLEY: Before going into the items of the Department of Labour perhaps the minister would not mind if I should speak very briefly on the subject of shipbuilding in Canada to which I know my hon. friend from Pictou (Mr. Macdonald), my hon. friend from Guysborough (Mr. Sinclair), and other hon. members have given a great deal of attention. This industry would, of course, give employment to a large number of labouring people, and in other ways it would prove of enormous advantage to Canada. I want to say, in the presence of the Minister of Labour and other members of the Government, who I

hope will give heed to my words—although the experience I have had in the past has not led me to hope for very much in that direction—that I think it is not only lamentable but is wholly discreditable to this Government that, although Canada has been engaged in this great war since August of 1914, upwards of 18 months, and although this Government has seen gradually disappearing the shipping of the Empire, and the shipping of Canada that in the past had a great deal to do with the carrying trade of Canada being commandeered by the British Government to meet the interests of the Empire; and although Canada was once one of the greatest shipbuilding countries in the world, this Government, so far as the public and this Parliament know, has not taken one single step during those 18 months towards the encouragement of shipbuilding in Canada. The situation is getting worse. Only to-day we heard complaints by different members of the House as to difficulty in regard even to the getting of such a necessary article as coal from one part of our country to another. The situation is rapidly becoming worse, and it is a lamentable condition of affairs that this Government have not been able to see their way clear, up to this date, after the war has been in progress for 18 months, to announce to Parliament any measure which they have decided upon for the encouragement of shipbuilding in Canada. I can remember the time, not many years ago, when in the port of St. John, at the head of Courtenay bay, 1,200 men were employed in the building of ships; and all over the Maritime Provinces it was the same. We have great opportunities for shipbuilding upon the Atlantic and Pacific coasts, and upon the Great Lakes, and all that our people need is reasonable encouragement to start up a great shipbuilding industry to give employment to thousands of our people. I would hope that to-day, in connection with the Estimates of the Department of Labour, the Minister will be able to give to this Parliament and the people of this country some hope that at last the Government has awakened to the necessity of taking hold of this important subject and is prepared to do something to restore to Canada this great industry which, not many years ago, was of such vast importance, and gave employment to so many people.

Mr. BURNHAM: I think the hon. member for St. John is quite right in more ways than one. First of all, I think he is right in expecting great things of this Government, and I think he is particularly right in expecting great things of the Minister of Labour. I am well aware that the Minister of Labour is very highly thought of by the people of Canada, and that he has devoted his great industry and the best of his brilliant mind to the solution of various industrial difficulties in such a way as to meet with the approval of the people in general and of labour in particular. The idea of encouraging industries is, of course, a protectionist idea, and naturally occurs to any reasonable man. It is absolutely in violation of all free trade principles. However, I am not here to chop logic on that question; I am here to agree with the hon. gentleman, and I think that the solution of one of the great difficulties of Canadian trade lies in that very encouragement to which he refers. There is at the present time before the United States Congress, a Bill of massive proportions for the encouragement, or rather the restoration of the supremacy of American shipping. A friend of mine sent me a copy of it, which I promptly forwarded to the right hon. the Prime Minister, as it seemed to me to be not only of very great proportions but to contain within its four corners much that is of prime necessity to this continent in general. That Canada should have a merchant marine is a prime necessity. We cannot hope for the lowering of freights unless we have a marine of our own which we can control.

Mr. A. K. MACLEAN: I noticed a letter from the hon. gentleman in the press of this city a few days ago in which he urged the wisdom of having no imports.

Mr. BURNHAM: I think the hon. gentleman has mistaken the import of the letter.

Mr. MACLEAN: Will the hon. gentleman explain to me now what was in that letter?

Mr. BURNHAM: I cannot offhand because it was a reply.

Mr. MACLEAN: What was the substance of it?

Mr. BURNHAM: It was replying to a specific statement of a newspaper, and I am not aware that the newspaper took it up and repudiated it in the same light that the hon. member for Halifax is anxious to do. I can not recall the letter as having any bearing on an objection to imports. It was a specific statement which, if withdrawn

5 p.m.

from its context and from the facts in dispute, might mean something altogether different. I am not prepared to undergo cross-examination on this point just now without at least having the letter here.

Mr. A. K. MACLEAN: I understood the hon. member to say in that letter that it was very desirable from a Canadian standpoint that we should have no imports; and, if that was the hon. gentleman's view, I was going to ask him what he proposed to do with Canadian shipping.

Mr. BURNHAM: I intended it for exports, that is all. I did not think anything about the imports at all; it was the exports.

Mr. PUGSLEY: So they would do business only the one way?

Mr. BURNHAM: It did not occur to me that we were going to have a Canadian system of shipping for goods coming into Canada at all.

Mr. A. K. MACLEAN: Just for exports?

Mr. MACDONALD: And the ships would come back empty?

Mr. BURNHAM: The point at issue was the matter of exchange, really, or the payment for goods in a particular way. It would be irregular, and I would be called to order by the Chairman if I introduced that question here. As to that, the hon. member for Halifax (Mr. Maclean) is perfectly right. We are working in this country under a great disadvantage, but by our genius and industry we hope to be able to export our goods to all quarters of the globe. We should be provided with the means for export.

Mr. A. K. MACLEAN: How are we going to get paid for those exports?

Mr. BURNHAM: That is a very elementary thing; I should think the hon. junior member for Halifax would work that out for himself if he would just take a little time. That is a matter of political economy of a very simple sort.

Mr. MACLEAN: How are we going to get the ships back? Will the Government have to pay something equivalent to freight to secure their return?

Mr. BURNHAM: How are we going to get the ships back?

Mr. MACLEAN: Yes. Is the hon. gentleman quite content that they should come back empty?

[Mr. Burnaham.]

Mr. BURNHAM: It is not likely that they will come back empty. They may make trips around the globe carrying other people's goods just as British ships do.

Mr. MACLEAN: I can understand British ships doing that, because they carry the trade of every country in the world, and their ships can make trips to and from all parts of the world. It is not only that you are willing to export, but you want to know how you are going to get your ships back to this country under such circumstances.

Mr. BURNHAM: I can only say to the hon. gentleman that the principle of a free exchange of commodities which he is endeavouring to introduce in this debate is entirely foreign to it. What I am arguing is that the preponderance of this country in trade and industry cannot be acquired by doing our manufacturing outside. It must be done here. The superiority of the Dominion is continually being demonstrated and it is an absolute denial of the contention that the hon. gentleman is now endeavouring to make. However, I agree heartily with the position taken by the hon. member for St. John (Mr. Pugsley) that we should aid, by every means in our power, the development of this as of every other industry.

Mr. SINCLAIR: Has the hon. gentleman any proposal to make as to how industries can assist the building of ships?

Mr. BURNHAM: We might possibly imitate the free trade country which subsidizes its vessels and we might possibly develop the industry in that way.

TECHNICAL TRAINING FOR EX-SOLDIERS.

Mr. E. W. NESBITT (North Oxford): We have a great many wounded men coming back from the front and we will have more. While these men have been loyal enough to volunteer to go to the front and fight for their country, I believe that they will be proud enough also when they come back to help themselves as much as possible by working for their own living. A great many will come back wounded and be unable to work at their ordinary vocations. At Lyons, France, they have already established large schools to educate wounded men. They are educating them in trades that they will be able to work at no matter how badly they are wounded, provided they are still capable of doing

something. By that means they will be able to make a living for themselves. I am quite sure, from what I know of a good many of the men who have gone to the front, that they would rather do that and be more or less independent than depend entirely on what they may get from the country in the way of an annuity. Now is the time, before too many of them come back, for the Minister of Labour to try to establish technical schools in various provinces where these men may be taught trades. The expenses will probably be large, but not nearly so large as it would be to maintain the men in idleness. It is a step in the right direction, and now is the time to undertake it. I do not think we should wait until the war is over, because it always takes time to get anything of this kind properly started and under way. I would urge the minister to take up the question with his department at once, and try to work in conjunction with the various provinces to get the schools started. We have nothing of the kind in Canada as far as I know. The minister can easily get a description of the schools in France, and this would be of very material assistance to him in establishing them here. I understand that they are working admirably there and that the men are learning trades so that they will be in a position to help themselves which otherwise they could not do.

Mr. OLIVER: I want to support what my hon. friend from North Oxford has said in regard to the desirability of technical training for men partially disabled who have returned from the war. I had the honor of bringing that matter to the attention of the House on a former occasion and I can not allow the present occasion to pass without reinforcing what my hon. friend has said. I would like to ask the minister what department has charge of the care of returned soldiers. There is what is called, I think, a Hospital Commission, or something of the kind. Which minister is supposed to have charge of that commission?

Mr. CROTHERS: Senator Lougheed is the chairman of it.

Mr. OLIVER: But I suppose it must be under some department answerable to Parliament.

Mr. CROTHERS: I suppose it is under the Militia Department.

Mr. OLIVER: That is not the main point I want to speak of. Certainly, the education of partially disabled men is as important, not only to the men themselves, but to the welfare of the state, as anything else that we can consider in connection with the war. We are going to have an enormous number of broken men, men who were able to engage in the most active life before their enlistment. Otherwise, of course, they could not have enlisted. They are drawn from all walks of life. Some have had educational opportunities; others have a trade; but a large proportion have not had any of these advantages. If these men are so disabled as not to be able to continue in the vocations in which they were previously engaged, they may still be physically and mentally capable of engaging in other occupations suitable to their partially disabled condition; and it seems to me that we are not fully discharging our duty to these men unless, besides giving them their pensions, we give them an opportunity to acquire knowledge of one kind or another which they will be able to turn to advantage. A pension, let it be as liberal as you please, can never replace to the man himself the liberty and ability he had before he became disabled. Again, a citizen who is living on his pension and engaged in no productive work, is not producing wealth for the State, or taking the part he could take if he were made competent according to his physical ability. It is only men who are entirely disabled, so to speak, or not of the brightest intellect, who cannot, by some form or other of education, be made efficient in some industrial or educational line. I think that this is a work that might very well be taken up by the department over which my hon. friend presides. I can think of no other department of the Government within whose sphere it could more naturally or properly fall, and I therefore desire to support the suggestion of my hon. friend from North Oxford, and urge as strongly as I can that this is a duty which rests upon our country; an obligation which we can never fully discharge, but which, so far as we are able, we certainly should discharge, not only in the interests of the man himself, but in the interests of the state as well.

When the Prime Minister was discussing something in this connection on a previous occasion, I had the honour to mention to the House that at the present moment

there is a technical school in the city of Edmonton fully equipped for this kind of work. The equipment is paid for by the Provincial Government, and the school is maintained at the cost of the tax-payers of the city, with some assistance from the Provincial Government. Here, right at hand, we have an institution that would cover the case in a very considerable measure. There are men in the school for teaching quite a number of trades. The school is conveniently situated for taking care of a large number of returned soldiers. I did not urge this upon the Government when I mentioned the matter before; but I do urge upon the attention of the Minister of Labour now, and through him upon the attention of the Government, that this school be utilized. Already we have a large number of partially disabled soldiers in Edmonton and Northern Alberta; men who have served their country to the best of their ability, and are now broken men. Owing to financial conditions, there is a possibility of the school at Edmonton being closed, or at all events, of its scope and efficiency being largely reduced. And I would very strongly urge that instead of waiting any longer, the Government might very well begin to experiment in this matter by taking cognizance of this particular school, and adopting means whereby co-operation can be secured between this Government and the school authorities; or, if the Government thought fit, they could take entire charge of the school with a view to the education, in such trades and callings as the men are physically fitted for, of those partially disabled soldiers who have returned from the front and are willing to engage in those callings.

It will be understood that the disabled man who is desirous of attending such a school must have means of support while he is receiving instruction; that is a matter that would have to be considered, and if it were taken care of, it would have to be at the expense of the Dominion Government. That would be supplementary to the soldier's pension, which, of course, would not be sufficient to enable him to attend the school and support himself. I would not advocate that men should be put in this school to learn trades that they are not mentally fitted for, or that they should be forced into any school. But a labourer, for instance, who has had no opportunity of learning a trade, and has lost a leg, we will say, might learn at this school some trade that he could become absolutely efficient in without his full complement of legs. But in order to enable him to do that somebody would have to supplement his pension. If the man were ambitions and mentally fitted for the work, I think it would be a most excellent investment for the Government of the country from every point of view. Besides, I maintain that it is a legitimate obligation that properly rests upon us to see that everything that can be done is done to make up to those men the loss that they have suffered and the loss which the state has suffered by reason of the reduced efficiency of these citizens. I therefore take this opportunity of urging upon the Government, and upon the Minister of Labour, in whose department this matter most properly falls, and who has in a large measure the organization at his disposal, the necessity of giving effect to the suggestions I have made. I hope that it will be possible for him to see the matter as I have tried to present it to the House, and that he will present it to his colleagues successfully, so that we may have results, and I wish particularly to put in a word for the technical school at Edmonton, which stands there to-day ready and prepared to do this work.

Mr. E. M. MACDONALD: The question of technical education comes home acutely to a great many people on account of the situation presented in Canada by the lack of occupation for our returned soldiers. That situation naturally calls for sympathy and attention of an unusual kind, but that does not in any way lessen the general importance and necessity of Canada taking some forward step in regard to the whole question of technical education. When we contemplate, as we have been doing during the past few months, the return to Canada of men who might be classed as broken men with all their old affiliations and associations, formed previous to their going to the front, broken off, and a new phase of life opened up to them, it is natural that we should look to the state to provide some certainty of occupation for those men on their return. In regard to the whole question of pensions, I have on the Order Paper a motion on which I hope to address the House in a few days, but in regard to the duty of Canada to our returned soldiers, I wish to make some remarks now, because last summer in my own province the attention of the Government was called to its duty in this connection. The Hospitals Commission, which was appointed by the Government and over which Senator Lougheed presides, is composed of a large number of estimable gentlemen throughout

Canada not directly connected with the Government, who are anxious to serve in some way and who have, no doubt, given a great deal of service on that commission. It occurred to a number of people in our province that what is known as technical or vocational training in connection with our returned soldiers was the fundamental solution of the problem after they had been brought through the stages of illness and convalescence. That problem was presented last summer in my province to the commission, and a large amount of correspondence was carried on with Mr. Scammell, secretary of the commission; and, although I am not making any announcement on the part of the commission, I understand they appreciate to the full the desirability and the necessity of some action being taken in that regard. At a conference held between the members of the commission and the representatives of the different provincial governments, a plan for vocational training was submitted by Professor Sexton, who is at the head of the technical schools at Halifax, and the method of training under provincial and federal control was adopted and approved by that body. I have under my hand a letter from the head of one of the technical schools, and, as it is interesting in this connection and shows what has been done, I will read it to the House:

> We have already admitted several returned men to this school, and, as I intimated to you in conversation when you visited the school last December, we find ourselves well equipped to give just the help the men need. These men have been admitted without fee on the expectation that the ultimate arrangements made by the Dominion Government will include a sufficient grant to relieve our Board of Education from the additional expenditure.

That, I think, is the crux of the matter at this stage.

> The expense connected with this work will be greater for each indiivdual than that required for the care of the average pupil in regular attendance at the school. The classes for soldiers will of necessity be smaller, a greater variety of work will be presented, and the work itself must be more intensive, requiring the highest grade of skilful industrial teachers. However, I am confident that with the co-operation of our Advisory Industrial Committee and the Board of Education, which is assured, and with a sufficient grant to cover the additional expense, we can provide in our new building for the teaching of several hundred of these men. There is no doubt in my mind as to the necessity of providing this work. Let me give you two examples:
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> 1. A young man, not yet 19 years of age, who had formerly been connected with this school, has returned with loss of one eye and with a badly maimed left arm. He is now being prepared for matriculation into the Faculty of Applied Science of the University of Toronto, and will ultimately become a civil engineer.
>
> 2. A young Scotchman, age 27, who has had some experience in railroad work, and whose right arm is partially paralysed, is being taught railroad telegraphy. He has had a fair elementary education, and will become, I expect, a proficient man in the line of work chosen.
>
> Several have been inquiring about taking work with us, and I find it a little early yet for them in their period of convalescence. But now that the men are returning in large numbers, it seems desirable to formulate some definite plan, and to make it widely known.

That illustrates the practicability of the proposition suggested, and the way in which it is being worked out. It is recognized by the different bodies who have been consulted that the situation is this: Technical education being under the control of the provinces, there are already in Nova Scotia, Quebec, Ontario, Manitoba, Alberta and British Columbia, technical schools with varied equipment depending on their age and the conditions in the respective provinces, which are prepared to take in pupils for vocational training. In my province there was established a few years ago by the Provincial Government a magnificent school, which is doing splendid work and by which the soldiers from the Maritime Provinces may be fitted for new vocations in place of those for which their experience at the front has totally unfitted them. In Toronto, there is a magnificent school which was opened only last year, and which is equipped as well as almost any technical school on this continent.

Mr. KYTE: Under whose control is it?

Mr. MACDONALD: It is under the control of the city of Toronto. In Montreal the technical school is equally well equipped.

Mr. CASGRAIN: There are two of them in Montreal.

Mr. MACDONALD: And my hon. friend from Edmonton speaks of the conditions in that town. It seems to me that assistance in vocational training must come from the Dominion Government and that it ought really to form part of our war expenditure. I do not wish to enter upon any controversial subject in regard to a matter of this kind as to which there is no party feeling, although I realize that there are items comprising millions of dollars which are to be included in our war debt, which certainly deserve to be investigated; but I feel that it would be proper to include in our war debt any sum necessary to provide vocational training for our returned soldiers and to equip the young men of this country

to aid in the industrial development of Canada. That money has to be found, and I realise the difficulty of finding it out of the ordinary revenues of the country; but I submit that the proper place to find it is out of the war debt of the country, because the necessity for this work is a direct consequence of the war. Tentative arrangements have been made, in certain provinces at least, under which men who have returned, and who are in a convalescent stage in some of the homes which exist in certain of the different provinces, are being trained, and in my province the provincial authorities are preparing to provide technical instruction in the vicinity of those homes in order that education along technical lines may be given to those men as soon as they are able to receive it.

That cannot be done without money. The Provincial Governments provide the schools and the instructions; it is the duty of this country to assume, as part of the burden imposed by the war, the responsibility of providing education for these men. In the working out of this problem, the necessity suggested by my hon. friend from Edmonton (Mr. Oliver) would be provided for. But I go further and say that this is a duty imposed upon this country as a whole as a direct result of the war and because of the conditions which will exist in Canada by reason of the war. I find the following in the report of the Department of Labour:

> While the importance of the whole subject of technical education is unquestioned, the pressing urgency of other matters consequent on the outbreak of war has not made the past year opportune for further action.

I say that the duty of increasing the opportunities of technical education falls upon us as a direct consequence of the war; it is just as much the duty of those responsible for the direction of Canada's affairs as is the sending of men to the front.

Mr. NESBITT: More so.

Mr. MACDONALD: My hon. friend is more emphatic on the point than I have stated. The duty is imperative and the necessity for action equally so.

What is the situation? We are taking men between eighteen and forty-five years of age, wherever we can find them; asking them to go voluntarily and fight the battle of the Empire and of civilization. The Prime Minister has intimated that the aim of Canada is to send half a million men. Realizing the situation and the necessity, the president of the Canadian Pacific Railway, speaking yesterday in Montreal in the presence of the Minister of Militia (Sir Sam Hughes) pointed out what it means to the industrial life of this country to take away half a million men. He spoke as one enthusiastic and sympathetic for Canada performing her full duty in the war. In my own province, in the great coal industry, from 1,500 to 2,000 men engaged in mining have gone to the front. These are men in the most active period of their lives. They are leaving the old men, who were loaders of the coal, and the boys, who have been doing boys' work. The consequence is that coal production is seriously interfered with. To-day we heard the complaint made by the hon. member for Halifax (Mr. A. K. Maclean), and I have myself voiced the complaints of industries in Nova Scotia, including those engaged in the manufacture of munitions, that the reduced coal production is impairing their efficiency. This is only one line of industry, but in every other line something of the same result is seen by reason of the fact that the men in the prime of life have been taken away, leaving the older men and the boys. A large percentage of these men will come back, as the hon. member for Edmonton has said, broken men. How are you going to prepare the boys to handle the technical work that these men have been doing?

But that is not all. When you look at what Canada is to be, when you hear our optimists talk about the great immigration that will come to Canada from other countries, the question is, how are we to equip ourselves to build up the industrial prosperity which Canada must have if she is to fulfil her high destiny? You are taking away the very flower of our industrial army. The only way to supply the places of those who have gone is to fit the boys early to fill the places of the others. This is a necessity resting upon the Dominion as a whole, as a direct consequence of the war. Consider what was done in Germany. I do not often quote at length, but I have a statement here which puts the case so clearly, and with such emphasis, that, perhaps, I may be pardoned if I read it:

> When industrial evolution progressed to such a state that the apprenticeship system began to seriously weaken, Germany bethought herself of providing trade instruction in the schools. The master workman was so busy maintaining themselves against the competition of others and in keeping up with the scientific advancement of his trade that he did not have time to teach the apprentice. The latter found that his branch of industry was being so minutely specialized by the division of labour that he did not have a chance to acquire all the fundamentals of his vocation in his master's workshop. Schools were started which offered prac-

tical training suitable for various trades in the evenings and on Sundays. At first attendance at these classes was voluntary, but when it came to be recognized that the instruction was immensely valuable to both wage-earners and employers, compulsory attendance was introduced and has become almost universal in Germany. It became evident that evening and Sunday classes were too great a strain upon the young workers, so that later developments have made it necessary for employers to allow their apprentices free time in working hours to attend school for six to eight hours a week and pay them at the same rate as if they were working in the factory. Some manufacturers opposed these regulations for a year or more and then supported such measures because they found the training and increased intelligence of the workers was more advantageous to their output than if the young men were kept all the time in the factory. Thus it is seen that the state has the boy under its control in the schools after he has gone to work and almost up to the age of maturity. If he goes to work at 14 he has to continue in the special industrial schools for either three or four years more until he becomes a journeyman. The extent of these schools may be judged from the number who attend in the kingdom of Prussia. In 1884 there were 58,000 pupils enrolled in these industrial schools, and in 1909, the number had increased to 360,000.

The extent of the instruction in different trades may be comprehended when one realizes that in the city of Munich 52 different trades are provided for by separate teachers and schools. There are classes for such apprentices as hotel waiters, chimney-sweeps, plasterers, blacksmiths, bakers, saddlers, and men in other callings which we consider do not need any theoretical training to learn their trade. This city of 580,000 people spends nearly $250,000 a year on this kind of teaching alone.

Besides training competent mechanics Germany provides schools for preparing bosses and foremen. Men who have been through the industrial schools and have worked at their trade for two or more years may go to institutions where they spend most of their time for two or three years in receiving instruction to prepare themselves for positions of industrial responsibility lower than those of manager. These thoroughly trained men superintend and direct the operations of journeymen in Germany's factories.

This progressive country also provides splendid technical colleges for the training of engineers, commercial universities for the preparation of men who shall direct the business and industry of the empire, navigation schools, mining schools, industrial art schools, leather schools, textile schools, etc. There is some sort of education offered for every kind of human activity and every grade or worker. The older traditional education is not slighted and generous provision is made for classical education in public schools and universities. There is an absolute faith among all the people in the power for good education and everywhere honour is accorded to any kind of trained man commensurate with this degree of learning.

Is it any wonder that Germany has forged to the forefront of civilized nations in the last 30 or 40 years? In 1870 the manufactures, the inventions and the foreign commerce of the separate German states were far below those of England and France. To-day united Germany stands in the front rank of the nations of the world in industrial production and she clearly leads all other nations in the application of science to the industry and to the arts. Her position is all the more remarkable because this result has been achieved in a country in which the agricultural and mineral resources are not great and in the face of the burdens due to long and costly wars, to maintenance of a great army and to the draining of a large part of its population through emigration. Where the emigration in the 80's was 200,000 a year, it is now only 25,000, who go mostly to South America and Africa, where German industrial projects are being carried out. The Germans themselves are proud to proclaim that the greatest single instrument in accomplishing their wonderful industrial growth has been technical education.

A few years ago, a number of prominent German manufacturers, educationists and public men made an extensive tour in the United States with the idea of finding out how serious a competition the latter nation might prove in the future struggle for world trade. Their concensus of opinion was that the United States possessed greater natural resources, a superior factory system, workmen of greater energy, industry, and mechanical skill and cheaper railway transportation. Notwithstanding all these advantages, the German experts thought that even the existing grip of America on international trade would tend to weaken. They commented on the absence of any adequate system of special education for commerce, banking or foreign trade in the United States. The meagreness of technical education, the trifling annual contingent of chemists, engineers, trained foremen, educated dyers, weavers, electricians, and mechanics as compared with the throng of lawyers, physicians, dentists and unspecialized graduates of colleges seemed shortsighted and improvident. The foreign investigators concluded that on the whole the "American danger" had been greatly exaggerated, and that a steadfast adherence by Germany to the technical educational policy and commercial methods now in practice will leave the fatherland little to fear in future competition with American manufactured goods.

This condition in Germany, the existence of which is conceded on all sides, is the result of thirty years' development along the lines of technical education. Why is it that Germany to-day possesses so many trade secrets? The processes connected with dyeing trades are known only to Germany. Large amounts of money are being expended in some parts of the United States for the purpose of inquiring into these processes with a view to establishing the dyeing industry in that country. Why is it that Germany possesses these secrets? Simply because their young men were educated along scientific lines. Why is it that ordinary German soldiers are able to manipulate the instruments by the use of which they employ what we are inclined to call nefarious and inhuman systems of warfare? Simply because the common men over there learned all these things as part of their early training and education.

Our newspapers keep pointing out to the people in an optimistic way the benefits that will come to Canada after the war. There are people who say, "We are going to have so many people on the land." All right; let us have the people on the land. But our country will not develop as enormously as is hoped for if the population is confined to the land. We must have those who till the soil and produce the wheat, but we must take steps along these other lines as well if we hope to obtain the development in this country that we want. During the last fifteen years there has been a tendency on the part of the people to go from the country into the towns. It is just as important to Canada that the people who come to our cities shall be trained to be useful, producing citizens, as it is to have men on our farms producing wheat.

The necessity of some action in this regard seems to me to be absolutely imperative. I am not speaking in a partisan way; I simply desire to impress upon the minister and upon the Government the necessity for some action. I might make complaints; I might indulge in unfavourable criticism; but I do not purpose doing that, because I think the subject ought to be dealt with along broad lines.

It may be said that education is a matter that should be looked after by the provinces. What has been done in this regard? A few days ago we voted an immense sum of money to be used over a period of ten years for the education and instruction of young men along agricultural lines. Schools have been erected in provinces where formerly they did not exist; arrangements have been made with the provincial authorities for the expenditure of this money every year with a view to extending the facilities of agricultural instruction. Assistance is given to two schools interested in subjects connected with navigation. My hon. friend the Minister of Marine and Fisheries has made provision for navigation schools in connection with the technical schools in our province; these navigation schools are doing good work. Assistance has been given to McGill university for a transportation course and for a forest-products laboratory; assistance has been given in a number of other ways. The constitutional question, therefore, does not present any difficulty at all; the Provincial and Federal Governments have worked together in the expenditure of this $1,000,000 which we give every year to agriculture.

[Mr. Macdonald.]

It may be said that a proposal of this kind involves extravagant expenditure at a time when we ought to economize. But, hon. gentlemen, remember the old scriptural saying, "there is that scattereth, and yet increaseth; and there is that withholdeth more than is meet, but it tendeth to poverty." It is a peculiar thing to me if hon. gentlemen cannot find in the Estimates that have been brought down to Parliament any sum of money which could be taken out and a substitution made therefor of a sum to be devoted to the assistance of technical education. In our province some of the citizens have offered bursaries to stimulate educational competition among the younger men, with the result that during the last year or two young men have been able to take up short courses at the technical schools and fit themselves for active industrial work. But necessarily that comes within the scope of the duty of the State. The results are by no means so broad or comprehensive as could be obtained or as ought to be obtained by that generous assistance which this Government should be able to give. It seems to me that satisfactory results could be obtained by the application of federal assistance to the organization that we have in Canada to-day in the matter of technical education. No grants should be made or assistance given for the purchase of sites or the erection of buildings; provision for these should be made by the provinces. But supplementary assistance ought to come from this Government for maintenance, for development, and for the special equipment which is necessary in order to provide for the soldiers who will return from the war and for the men who must take the places of those who have gone to the front. With some support of that kind, having the educational facilities in all the towns where we have manufacturing interests, there is no reason why the local boards of education should not provide for technical instruction along certain lines. Certain cities in Ontario, I understand, are now taking steps towards beginning this work.

Mr. BURNHAM: Night schools are the germ of that.

Mr. MACDONALD: Night schools in the cities. Hamilton and London are two cities—

Mr. NESBITT: But they do not go far enough with the type of education that will suit the returned maimed soldiers.

Mr. MACDONALD: The returned maimed soldier is only the smallest part of the problem. He can be and will be provided for. My argument is that the public are only beginning to appreciate the serious necessity of grappling with this problem on seeing the object lesson of the returned soldiers. I can understand that the public are apt to be quiescent upon this problem. I think the minister will agree that arrangements have already been made for some institutions to deal with the returned soldiers. But where you have the technical institutions in the particular provinces, and where you have the provincial authorities in sympathy with you, the problem can be worked out.

I was advised by Prof. Sexton, only a week ago, when he was here in attendance at the meeting of the Mining Institute, that they were proceeding to send two or three instructors to a convalescent home in my province to begin instruction in the different trades which these men might be suitable for. He thought the first thing to do was to have experts who were accustomed to training people to vocations, to determine what the men who had come back from the front could do, and what lines of usefulness they could be trained in, so as to supply education along that particular line. We are only beginning to awaken to the necessity of action on the question of technical education generally, by reason of the fact that we see these disabled men coming back from the front. We know that they have nothing to do, and the question is, what are we going to do with them? Hence technical education comes to the front.

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

The House resumed at eight o'clock.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READINGS.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Bill No. 6, to confirm certain agreements made between the Canadian Northern Ontario Railway Company, the Canadian Northern Railway Company, and the Canadian Pacific Railway Company—Mr. Morphy—in Committee.

On section 1—agreement confirmed:

Mr. BLAIN: This agreement has been sanctioned by the Board of Railway Commissioners. It was gone into pretty thoroughly by the committee, and I think it is satisfactory.

Bill reported, read the third time, and passed.

Bill No. 23, to incorporate the Ontario Niagara Connecting Bridge Company—Mr. German—in Committee.

On section 14—time for commencement and completion of bridge:

Mr. REID: This section provides that the agreement must be approved by the Governor in Council. I am not sure whether that includes the plans. It is a very important point, and I would ask that the Bill stand for the present.

Progress reported.

Bill No. 28, respecting the Kettle Valley Railway Company, and Vancouver, Victoria and Eastern Railway and Navigation Company—Mr. Green—in Committee.

On section 1—extension of time for construction:

Mr. ROGERS: I do not see the member here in whose name the Bill stands. The amendment provides that the company may start the railway within two years and have five years to finish it. This is an important matter. If the railway is not finished at the end of five years, our legislation is null and void. I would ask that the Bill stand until the hon. member for Kootenay can be present.

Progress reported.

Bill No. 26, respecting the Corporation of the City of Brantford—Mr. Cockshutt—in Committee.

On section 1—extension of the Grand Valley Railway authorized:

Mr. MACDONALD: What amendments have been made in Committee?

Mr. COCKSHUTT: The Bill is intended to confer upon a commission, to be elected by the city of Brantford, power to run the Grand Valley Railway, which the city has acquired by purchase. It embraces not only the street railway of the city of Brantford, but a spur that runs to Paris and Galt, partly through the county of Brant and partly through the county of Waterloo. The Bill is not granting any powers beyond those already contained in Acts and amendments that have been passed on behalf of the Grand Valley Railway Company, which

was incorporated by this House in 1900. This is merely an enabling Bill to bring the railway under the jurisdiction of the city of Brantford. The commission is elected from time to time, annually, I think, as provided in the Bill. The matter has been thoroughly threshed out before the Railway Committee, and the Provincial Government have signified their satisfaction with the Bill. The municipalities concerned are satisfied, as are also the members of the two districts. I may say that the city solicitor of Brantford was advised by the Railway Commission of Ontario to come to this House. They said that as the original charter had been granted by this House, and as the railway had been declared to be for the general advantage of Canada, it was a matter for this Parliament to deal with.

Mr. MACDONALD: Would the hon. gentleman state briefly what amendments were made in committee?

Mr. BLAIN: A considerable number of amendments were made. As the Bill will have to stand over on account of some clerical errors, I move that the committee rise and report progress.

Mr. MACDONALD: I do not want the Bill to stand over. I was interested when this Bill came up for a second reading, and I just wanted to know what amendments had been made in committee.

Mr. REID: I was in the committee when this Bill came up. It is merely to allow a commission appointed by the city of Brantford to take over the Grand Valley railway. The railway will become a municipal enterprise. When the matter came before the railway committee, the only point raised was that the Bill should be amended so that the commission would be in the same position as the Grand Valley Railway Company in respect of paying taxes to the several municipalities through which it passed. In other words, under the Ontario Act, a municipal railroad does not have to pay taxes to other municipalities through which it passes; but in this case the railway committee felt that, as the Grand Valley railway passed through a number of municipalities and at present paid taxes to them, unless this section was inserted, the municipalities would lose the taxes which they had been receiving and the city of Brantford would get the benefit. Therefore, they decided that it was better to insert this section, so that the city of Branford, if it took over this railway, would pay the taxes just as the Grand Valley Railway Company had been doing previously. That left the matter in this position, that the city, to be relieved, under the Ontario Act, of paying the taxes, would have to apply to the Ontario legislature. I think that, with the exception of a few clerical errors, that was the only amendment that was made.

Mr. COCKSHUTT: There are only a few clerical errors and some clauses that have been left out of the Bill, and I think that we might as well go on.

Mr. MACDONALD: I was not speaking with any idea of opposing the Bill.

Mr. BLAIN: I beg leave to withdraw my motion.

Progress reported.

SECOND READINGS.

Bill No. 52, for the relief of Henry John Thomas Wardlaw.—Mr. Wallace.

Bill No. 53, for the relief of Robert William Thompson.—Mr. J. A. M. Armstrong.

REPORT.

Report of the International Waterways Commission, pertaining to St. John river.—Mr. Rogers.

TECHNICAL TRAINING FOR EX-SOLDIERS.

The House in Committee of Supply, Mr. Rhodes in the Chair.

Mr. E. M. MACDONALD (Pictou): Speaking of the duty of the Government in regard to technical education, it was quite understood that the question of the care of the returned soldiers is to be in charge of the Hospital Commission; and, as was said before dinner, the understanding is that the provinces will provide the facilities for the educational training of any of these men, with assistance to be given by the Federal Government through the Hospital Commission. But I have already pointed out that the arrangements for carrying this into effect have not been perfected. I assume, however, that they will be perfected. Should this not be accomplished, the responsibility for failure will rest upon the Government.

That, however, is only one of the phases of the larger question. In regard to that larger question, Canada seems to be living very much in the present. We are concerned, indeed obsessed, with the task that has come to us of taking part in the war, and

of enlisting all our people within the ages when volunteering could be expected. Occasionally, an optimist like the Minister of Public Works (Mr. Rogers) tells us of the many thousands of people who are coming here after the war, and this very splendid condition of affairs is expected as a matter of certainty simply because many of our people do not stop to think about the real question, the question whether we are equipped to achieve the results that we desire. The Minister of Trade and Commerce (Sir George Foster) spoke some warning words in regard to the situation and reminded us of our duty, a duty which I am attempting in some small way to recall to the attention of the House and the country. The hon. gentleman said:

> It would be a great mistake if we put away from us all care, all investigation, all fronting of what will be the real difficulties of the future, and that when the supreme economic struggle comes find ourselves not well prepared, light-heartedly and without thorough examination entering into the greatest contest in our history, the greatest in the history of the world.

And in concluding his remarks upon that portion of the subject he said:

> Looking at the matter in that light, we cannot look forward to the end of the war and keep ourselves up until that period on the false assumption that peace will bring with it unexampled prosperity.

I think the Minister of Trade and Commerce was not too pessimistic. Thousands, and hundreds of thousands, of the very flower of our country's life will come home disabled, with their ambitions of life gone, many of them unfitted for the occupations in which they were engaged before the war. This will impose upon the rest of the Canadian people the task of caring for these men. Our population, in proportion to our area, is a comparatively sparse one, and when you take the spirit and ambition of the energetic men between 18 and 45 from the life of this country, and impair the usefulness of many of these men, the problem that awaits the Canadian people is seen to be a very serious one. And that problem is not helped by declaring that we are to have a tremendous immigration upon our agricultural lands. After the battle upon the plains of Europe and the East is over, will come the great industrial contest, in which the maintenance of our interests will depend upon our being in a position to grasp a portion of the world's trade. Where are we to find the men to fill the places of those who have been taken from the industrial life of this country—and not merely the places that are now empty, but those that must be created if Canada is to become the nation she ought to be? Today our eyes are blinded to the real industrial situation by the fictitious prosperity created by the injection into the business life of the country of an expenditure of three or four hundred millions upon munitions of war. Many industries which were absolutely in a state of quiescence before this expenditure began are now active. We do not realize the conditions which the Minister of Trade and Commerce has shown as inevitably coming. But the question of how to prepare for this coming condition is one worthy the most serious attention of this House. We might well lay aside many of the petty squabbles in which we engage to devote ourselves to this question.

Some hon. MEMBERS: Hear, hear.

Mr. MACDONALD: That is not to say that the loyal Opposition in this free Parliament should allow hon. gentlemen opposite to assume a Kaiser-like attitude. It does not mean that, because the Minister of Public Works (Mr. Rogers) and his associates come to Parliament and indicate their will, we, the representatives of a free people, are bound to accept it, nor that these hon. gentlemen are to be above criticism.

Mr. ROGERS: Who is objecting?

Mr. MACDONALD: The hon. member's method of objecting may take one form or it may take another. If I am to understand him as agreeing that we should devote ourselves to the consideration of the great question which I am discussing, I would accept his position frankly. What I complain of is that the Government has not devoted itself to the question of where Canada is to find herself at the end of this war. The hon. Minister of Public Works knows that. He knows that the president of the Canadian Pacific railway found it necessary, only yesterday, to raise objection to certain methods of the Government in that regard.

Mr. ROGERS: Was it only yesterday that he raised that question?

Mr. MACDONALD: So far as I know from reading the papers, he made a public utterance on that question yesterday. Of course, he may have been talking to my

hon. friend privately; if so, I suppose my hon. friend can tell us all about it.

Mr. ROGERS: Oh, no; he never talked to me privately.

Mr. MACDONALD: I do not want to be diverted from the consideration of the matter which I am in all seriousness endeavouring to present to the House, solely with the idea of attempting to convince hon. gentlemen of its importance and of the necessity of dealing with it along big and broad lines. The consideration of the question as to where Canada is to be after this war may well occupy the larger share of our attention, because it is the supreme question affecting the Canadian people at this time. The future destiny of Canada is not to be solved simply by declaring that immigration is to take place, or that this, that, or the other thing is to occur. We must deliberately, clearly and calmly analyze the economic condition of the country, see what changes are necessary, see what preparation should be made, and endeavour to meet the condition which we know is to come. To-day in Canada we have colleges for the education of our professional men; we have schools where our boys and girls are taught the rudimentary elements of education; we have agricultural schools, which receive encouragement and assistance from Federal and Provincial Governments. With the exception of the action taken in the matter of technical education by the provinces, which have strained their revenues to the limit in dealing with the problem, no action has been taken to provide for the training of our artisans in such manner that we in Canada shall be able to make things that we do not now make, and to make better those things which we do make at the present time. If we in this Parliament can do anything to attain that end, we shall be fulfilling in some measure our duty in this respect. In the province of Nova Scotia the advantages derived from assisting technical education have been demonstrated. Some twenty years ago mining schools were established in the province, in which men who worked in the mines could study in the evenings those things a knowledge of which would make them more efficient in their work. The result is that to-day it is our proud boast that the managerial positions in all our mines are filled by the sons of Nova Scotia, who were trained in these local technical schools. But outside of the local technical schools that are to be found in one or two places in the country, no organized attempt has been made to follow out a systematic method of technical education. I hope that it will be possible for the Minister of Labour to initiate at this session of Parliament some comprehensive and systematic method of training, in the application of technical education, the younger men of this country who are not going to the war. The marvels of the science of chemistry have been a potential factor in the development of this country; they should be put in the possession of the intelligent young people of Canada so that they may deal with them, elaborate them, and derive from them the results which have been obtained in Germany. Now is the time to begin. It will not do to begin this work after the war—that will be too late. The advantages which may be obtained in the way of trade, business, and other conditions, will all be pre-empted by other countries when the world gets right again, unless we begin now. The report of my hon. friend's department intimates that during the war a barrier to progress in this respect is encountered in a financial sense. I submit that that is not a barrier. If you deal with the problem of the vocational training of the soldier who returns from the war, you will take the money out of the war debt. Assistance to technical education in the different provinces would be just as much a charge upon the war debt as any expenditure for munitions or anything else that you buy for war purposes. You do the one thing in order that the Canadian boys can go out and win; if you do the other, you provide for a situation for which the war is directly responsible. I trust that I have not pressed this question along lines which will prove unacceptable to my hon. friend the minister. Canada's duty in this matter has always appealed to me as being one of the very highest importance. I have offered these remarks in no spirit of partisanship or of hostility to the Government; I present them as opening up a line of action for this Government upon which they should embark without delay.

Mr. J. H. BURNHAM: I think the committee will agree that the hon. member for Pictou (Mr. E. M. Macdonald) has presented the case of technical education with a great deal of honest fervour and enthusiasm. The speech that he has made is one of those series of observations which go a long way in encouraging those people who have so vast an undertaking as this in their

hands. There was a time when the universe at large, more particularly what we understand now by nature, was a closed book. It is only one hundred years since it was first known that there was a mysterious substance called phlogiston in wood and in other combustible substances, which, when warmed to a sufficient degree of heat, liberated itself and caused the consumption of the wood. When it was discovered that it was the combination of oxygen with the constituents of the wood—or fuel, or whatever it might be—at a certain temperature which provided this astonishing result, the natural cause of the phenomenon burst upon the world at large, and the science of chemistry was founded. That was one hundred years ago. Since that time there has developed every conceivable form of natural and scientific curiosity. Each has rewarded the sons of men with the most extraordinary results, not the least of these being the science of hydrostatics or the dynamics of electrical science. All these things now provide the casual reading of men who a few years ago did not know anything about them. Our libraries now contain books of so clear and specific and definite a character that any man or woman who has a reasonable degree of curiosity can take those books and read the romance of nature, which in terms may seem to be a contradiction, but which, as a matter of fact, is the most wonderful thing in the history of the universe. It is only a few years since people, some, indeed, now lingering upon the scene, looked up at the skies without knowing what they meant. It is only a few years since the matter of discovering the constituent elements of sirius, the dog-star, flashed upon the world; when Kirkhoff and Bernstein, following up Sir Isaac Newton's wonderful discovery of the spectroscope, produced the sprectrum analysis, when at once all those materials which go to make up this globe were discovered to be in the stars and in the suns that fill the vastness of space. The consequence was that mankind learned to realize the wonderful unity that exists, not only according to the laws of gravitation and movement, but according to the copernican law, in all of those wonderful things connected with what might be called particularly the science of mechanics. As soon as all those wonderful things were seen, the unity of the qualities and constituents of the stars, the riddle of the universe was read. We have come down now to the time when the electron, that single vortex of force which so long ago was foreshadowed by Newton and later on by Lord Kelvin to be the ultimate constituent of matter, has been ascertained to be the necessarily ultimate constituent of matter. The unity of force and matter has been established. Force and matter for many a long generation were considered to be two things; in fact, it was a great discovery when force was defined to be a condition of matter; but now they are ascertained to be one and the same thing. So that we have at last got down to the basis of all things, and when people at large understand this and are able to grasp the simple, great, overpowering and overwhelming fact that law, comprising a variety of laws, is the basis of the method and the matter of the universe, all the rest is comparatively simple, a matter of detail, and immediately becomes within the sphere of general knowledge.

Mankind was a wonder until the cell was discovered; and when the whole of the living world was discovered to depend on the ultimate constituent of the cell, when the cellular theory was outlined, humanity and all of nature become somewhat different. The inorganic and the organic world might then be related, and it was found that they were. At last it dawned on some inquiring mind that the crystal was alive—and then was bridged the apparent chasm between the organic and the inorganic worlds. This inquiring spirit has raised the enthusiasm of mankind. Those men who for long years worked for an insufficient amount of money from early morning till late at night in a vague and precarious and hazardous endeavour to maintain their families and bring them up intellectually, are appealing to the world to be at least provided with the means of acquiring knowledge—not with the mere reward of toil, with wages. There is not a workman, an artisan, a mechanic, in the world who at the present time is not a professional man in the highest and the most dignified sense. These men are now working with an understanding of the principles of knowledge and the principles of construction, and doing this, there is no finer body of intellect or occupation in the world. Such a work as we are engaged in—mere administration, stained frequently by the vehemence and sins of politics—fades into insignificance beside their works. These men are the apostles of the great future, built upon their understanding of an infinitely great past. That in my opinion

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is why the Classics have gone. At one time they ruled the world. If a man could jabber a little bit of Latin,

he was a wonder. If a man had a son who knew the difference between amo and canto, or some simple thing like that, he immediately proceeded to edify his neighbours by bragging about it, and frequently quoted a lot of Latin that never existed and that was forbidden by all the rules of syntax or prosody. But that made no difference,

And still the wonder grew,
That one small head could carry all he knew.

But that day has gone by. People are not frightened a bit now either by the sound of a dead language or by stupidity and superstition. They have worked their way into the uncommon nature of things and they have become imbued with this lofty spirit of knowledge. When I meet a man who understands what he is doing in the construction or the manipulation of steel, I, being only a lawyer, take my hat off to him. There was a time when I would have thought, not knowing any better, that if anybody was going to take off his hat he would be the man; but not now, that day has gone by. The mere cut-and-dried professions are nothing; it is the inquirer after knowledge to whom we have to look; and therefore, when we conduct ourselves in so sordid and mean a way as to pay vulgarly low and insufficient wages for the knowledge that these men have acquired and for the highly spiritual manner in which they apply it, and when we consider that their families are entitled to the best and are ready to take the best and ready to develop the best that we can afford, it becomes indescribably mean when we pay large sums to the grafters and vulgar manipulators of ordinary every-day life. The sin then becomes vastly greater, and, to tell you the truth, I can quite understand why it is that a man has written a book in which he says it is a sin and a shame to die rich; and the time will no doubt come when it will be considered a reproach to a man not to know enough to employ his money in the spread of knowledge—that such a man has not acquired the first element of knowledge, and we may rest assured that his mind and his taste are both equally vulgar and uncultivated.

Mr. NESBITT: And what about these schools?

Mr. BURNHAM: If I have failed to show you why it is that these schools are necessary, and why it is that their time has arrived, then my remarks have been in vain. I had hoped that I would have imbued gentlemen like yourself with that enthusiastic spirit which I at this moment feel for the acquirement of knowledge by one and all. That is why I introduced the subject in this way. I will leave its further discusion to other men, like the hon. gentleman from Pictou (Mr. Macdonald), who has so ably demonstrated the necessity of pursuing this matter with all industry and skill, and to the minister himself. I felt that perhaps there was something incumbent upon me to say which might induce or develop in us all that spirit of enthusiasm which itself is the very spark of freedom and of knowledge.

That it is which drives us on to higher and nobler things, for I am thoroughly impressed with this idea, that once your son or your daughter has acquired a taste for real knowledge, there is nothing under God's heaven that can stop them except their last breath. It is a habit. It is a wonderful thing; but it is a habit that once acquired can never be given up. It is the only good habit I know of that is like that. But it is a fact, and therefore, if we can do anything, by word of mouth or in any other way, to induce others who are less skilled perhaps than we are to enter upon this way of knowledge and pursue it but for a short time, we can rest assured of one thing, and that is that they will never be able to forsake it. There is no going back; there is no apostasy. Disease, physical corruption, may overtake man or woman, but the spirit—the divine spirit— of knowledge, and love of knowledge, the breadth and singleness of purpose which true knowledge gives, which we see every day exemplified in scientific men who give up their priceless discoveries to the world at large without qualms or self-seeking, endure forever. If these men were politicians they would start dickering over every little thing—the invention of some contrivance to latch a door, or something of that sort; but that is not the divine spirit of knowledge. Once the divine breath of knowledge enters a man, he is spiritually regenerated, and, if at any time, fit for the Kingdom of Heaven. I know that the minister is imbued with this spirit of enthusiasm, and I pay him no idle compliment to-day when I say I know that, because I know many of the leading representatives of labour in this country, and they feel that he has their interests at heart. If I did not think he had their interests at heart I frankly would not pay him the deference of saying this,

but I think it, and I believe they think it too. There are other people, no doubt. I do not wish to derogate from the good qualities of anybody who has gone before. I know that the hon. member for Rouville (Mr. Lemieux) was a man inspired with the desire to benefit the working men and develop their knowledge. It does no man any good to deprive another of his just meed of praise. Before I sit down let me say—and I cannot express myself too strongly in this regard—that we must devote ourselves more than ever to the enthusiasm which underlies the acquirement of knowledge, and we can rest assured that if we do the people will be only too glad to acquire it.

Mr. S. FRANCIS GLASS (East Middlesex): Mr. Chairman, I desire to make a few observations on this subject. There is in the House and in the country very little difference of opinion as to the desirability and need of lending our assistance to education in all its branches. I do not think that I go astray when I say that last week this House committed itself in a sense to the principle of technical education in accepting my resolution and approving of the methods that this Government has adopted to develop the flax industry of this country. I do not think that we have any reason to look farther for an example of the results to be obtained from technical education than the work which has been accomplished under the direction of the Department of Agriculture in the different counties throughout Ontario and, I understand, in other provinces. I think no better evidence of the interest which this Government has taken in the question of technical education could be afforded than the fact that in the distribution of the agricultural grants authorized by this Parliament provision was made that a liberal proportion of the money should be expended in the further development of agricultural education and instruction. Prior to the time when this system of imparting agricultural instruction in the various counties was adopted, we had our agricultural colleges in the provinces and our experimental farms in the Dominion, and young men from the farms were getting the benefit of the instruction that the teachers at the colleges and farms could impart. What was the result when they had acquired this knowledge? In only a very limited number of cases did the men who had taken advantage of these educational opportunities go back to the farm to apply their knowledge to useful purpose in their own districts, but, on the other hand, the brightest and best of the men graduates from these colleges became instructors in the colleges and on the experimental farms of foreign countries and sister colonies. We would be in exactly the same position, from a medical point of view, if our doctors and medical men, after graduating from the universities and colleges of our country, ceased to prosecute their profession in our midst and gave to other lands the benefit of their study and experience. Under such circumstances, of what earthly use would they be to us? I may be drifting away somewhat from the subject before the committee at the present time, but I refer to this for the reason that our Government has awakened to the fact that if we let the brightest of our men get away from us, instead of devoting their education to the upbuilding of their own country, the money spent upon their instruction will have been practically wasted. I remember that when the opportunity came a few years ago of making this new departure to which I have referred, the Government said to the gentlemen representing the county council of Middlesex: "We will send an expert up there who is trained in all the different branches of agriculture, and who is able to solve the various problems that confront the farmer in the carrying on of his operations. The Department of Education will pay his salary, the Department of Agriculture will pay all the expenses of sending this man through the county, and if any farmer has any particular problem, such as the analysis of soils, the spraying of his orchard or otherwise, let him apply to this man and he will help him." The Department of Agriculture paid his expenses, and the Department of Education paid his salary, and he was maintained there practically at no expense to the county. To promote the principle of co-operation the Ontario Government suggested that the county council should contribute $500 per annum for equipment, whatever that might be, but I understand that in almost every case this $500 was paid back in premiums given at county fairs to encourage the development of agriculture. Technical or scientific education applied to the agricultural industry has been the means of largely increasing the value and amount of the production of agricultural communities in all parts of the different provinces.

I do not think there is any difference of opinion in this House or in the country as

to the desirability of this Government giving, as far as circumstances permit, assistance in the matter of technical education. In the English House of Commons on the 10th of January last, a resolution was introduced dealing with a similar subject. It was a resolution which provoked considerable discussion, and in many respects applied just as much to conditions in this country as to conditions in England. The resolution, moved by Mr. Hewins, was as follows:

That, with a view to increasing the power of the Allies in the prosecution of the war, His Majesty's Government should enter into immediate consultation with the Governments of the Dominions in order with their aid to bring the whole economic strength of the Empire into co-operation with our Allies in a policy directed against the enemy.

Mr. Hewins then proceeds to make the following observations, which I think are peculiarly applicable to conditions in Canada:

I should like to explain that I have no intention in connection with this motion of discussing questions which have become of public interest during the war. The first is what is called "Capturing German Trade." There is, I think, only one object at the present time, and that is successfully to finish the war, and I myself deprecate very much any presentation of issues at this time as an alternative between pressing on with the war and trying to achieve any trade advantage.

Further on he says:

My second reason is a very simple one—this war is of so gigantic a character, affecting every possible relation of our social and economic life, that it is really impossible to say at the present moment what will be the economic, industrial, or financial situation with which we shall have to deal after this war. It seems to me, therefore, that in laying out the great broad scheme of policy which we may pursue after the war, we are likely to be involved in discussions which are to a certain extent academic and may even become controversial.

That is exactly our position to-day. Much as we may appreciate the need, the first and most important consideration is the war itself. Mr. Hewins then proceeds to make the following observations, which, however, seem to have been contradicted later on. Speaking of Germany's power in trade and commerce, and her control of very many raw materials, he said:

Let me take one important question which plays a very important part in the whole scheme of German finance—I mean the control of our raw material and especially of the shipment of the ore produced in the British Empire. I do not wish to go into any lengthy details about this important scheme, but whether you take the zinc concentrates in Australia, nickel in Canada, or the whole series of metals, I am really giving away no secret when I say they are virtually controlled by German syndicates, and have been for years.

[Mr. Glass.]

In the same debate, Sir Alfred Mond said:

There has been a great deal of reference about German control of the metal industry, some of which is true and some of which is exaggerated. The hon. member referred to the nickel industry of our Dominions, particularly in Canada. I happen to be interested in that industry so I know something about it, and I may state what is the absolute fact. To my knowledge no German syndicate, no German firm, and no German capital has ever had any kind of interest, much less to speak about control, in the large nickel deposits of the Dominion of Canada. Those deposits have a curious history. They were first offered to the British Admiralty by the Ontario Government as an important matter of Imperial defence, and promptly rejected, which is usual with a Crown department. The next exploit was made by a well known firm of metallurgists in Swansea, who took up some of the deposits there and were unsuccessful with them. A third attempt, a successful attempt was made by an American gentleman in the metallurgical trade in New Jersey, who managed to find a process, and the fourth attempt, and the only British attempt, was made by the company of which I happen to be chairman.

Speaking of metals in Canada, he goes on:

Although Germans have at various times looked about prospecting, I think I am quite right in saying that there is not a single man, much less to speak of a refining or smelting works, in that part of the world that is in any way owned by a German firm. When you come to the Australian smelting field, you come to a serious problem. Why did the Germans get control of the Australian smelting industry? Because they were the only people to work out a process which made those ores any use at all. No amount of legislation, no amount of tariff jugglery, and no amount of treaties will ever assist you to deprive the Germans of those advantages unless you will technically improve your methods for metal trade and utilize your ordinary resources. Those resources in Australia have been developed by German ingenuity and German chemists, and if they had not been so developed the ores would simply have remained lying in Australia as they had lain for years before. Therefore you must realize that fact, and the Government must devote much more attention to it in future than they have done in the past. It is no use occasionally paying a little lip service to the development of technical industry or science. The amount of money that we have devoted to scientific education compared with Germany is perfectly ridiculous. Three-quarters of the German success in export industries, I am convinced, is not so much due to clever arrangements of tariffs and schedules, or to the negotiations of their diplomatists, as to their technical and financial skill.

Similar statements were made throughout the course of the debate. It is well known that Germany's great commercial success has been due more to her development of technical education than to any other one cause. Now that we realize our shortcomings in that respect in the past, the proper thing seems to be to profit by the experience of other countries. Only last

week we adopted this very principle with respect to the flax industry. We have also adopted the same principle with respect to the distribution of the agricultural fund, which is apportioned amongst the provinces. We are told by the Minister of Finance, and by economists who we have reason to believe are giving us good advice, that the duty of this country is to produce. That has been instilled into the minds of our agriculturists, and aided as they were by the free technical assistance they received from those who were prepared and able to give them advice, they increased production, not only by the bounty of Providence, but also because they went about their farming scientifically; and in proportion as they acquired and applied their scientific knowledge, so the agricultural wealth of the country increased.

We believe that after this war is over, the industries of Germany, which represent a very large proportion of the world's trade at the present time, are going to be paralysed and stagnant for many years to come. I do not know whether, under the arrangements we may be able to make, we may expect to get very much of that trade; but I know that, prior to the war, Great Britain and her Allies controlled 50 per cent of the total trade of the world and Germany only 18 per cent. After the war is over there will most assuredly be a restriction in the development of the industries of Germany and her Allies owing to their exhausted condition, and France, Italy, and Russia will certainly require large quantities of machinery for manufacturing purposes. This country should appreciate these facts to their fullest extent; and, if we are to take advantage of this opportunity, we must, so far as lies within our power and as is compatible with our resources, endeavour to assist Canadian industries by developing technical education. It is not within the province of this Government immediately to take over the direct control of technical education; but, having accomplished so much in co-operation with the departments of education of the various provinces with reference to technical education so far as it applies to agriculture, this Government is looked to for support in the matter.

In the city of London, Ont., some two or three years ago, technical education was considered of sufficient importance to give it a trial in a small way in the basement of one of the public schools, and only night classes were held. The interest taken in it and its usefulness to the community were so quickly established that other portions of the school were used, and day as well as night classes were devoted to technical education. A few days ago I saw in a London city paper that, having acquired there a suitable plot of ground on which to build a school, the council of the city authorized by by-law the issue of bonds to the extent of $165,000 in order to build a technical school in that city. When such communities assume responsibilities of that character, I think it is the duty of the Dominion Government, through the provinces, to assist as liberally as possible in technical education.

I have here an item published in the January Agricultural Gazette which shows what an incentive technical education in agriculture has been to the province of Ontario. There have been established in the rural schools classes for instruction in agriculture, in order to hold the young men on the farms. In connection with this work prizes are distributed and the children are encouraged to grow various crops, and school fairs are held, where the products of their toil are exhibited. The following statement is given by Mr. C. F. Bailey, B.S.A., Assistant Deputy Minister of Agriculture for the province of Ontario:

> The following statement will serve to give some idea of the development of the school fair movement in Ontario. These figures are for 1915 and have been secured from the records kept by each district representative throughout the province; Number of fairs, 234; number of schools, 2,291; number of pupils, 48,386; number of plots, 51,243; number of settings of eggs, 6,868.

These eggs are taken from thoroughbred stock from the Experimental Farm at Guelph.

> Number of children, 72,860; number of adults, 84,406; number of entries, 116,236.

This method of encouraging interest in agricultural education has been established in the province for only a few years, but it shows what a great interest is taken in the work both by the Department of Education and the people.

Technical education is necessary also, because it will mean production of things that we did not produce prior to the war. If we increase our range of products it necessarily follows that we must employ more labour; because, as we develop new industries and train men to carry them on, we give employment to a larger number of people. That, from an economic standpoint and from the standpoint of our duty to our country, should commend itself to us, because at the conclusion of the war we shall doubtless have a large quantity of unemployed labour, which we must put to

productive effort. Our experience in this respect is similar to that of England. Mr. Runciman, speaking of industrial enterprise and technical education in Germany, and its production of many useful articles prior to the war, says:

One of the most striking that is known to nearly all of us is that of optical glass. We have been placed under grave disability owing to the fact that optical glass was made almost entirely in Austria and Germany, and so little of it was made in this country. It was one of the first articles in which the Board of Trade took an interest in the autumn of 1914. We gathered together all the information we could on that subject of optical glass. We gave every possible assistance to those in this country who were prepared to undertake its manufacture, and already they are producing optical glass which never before had been equalled here. We trust that the monopoly which was held by Germany before the war will never go back to her.

He goes on to say:

In chemicals we have produced to a remarkable degree a large number of articles which before the war were almost entirely in German hands. Take the case of dyes. Not only the company which, by leave of this House, was assisted out of our national funds, but also other concerns, have produced an enormous amount of dyes during the war. They have increased their output by extending their plant and improving their process.

That would indicate that even during the war England has found it necessary to apply technical education to industry, because none of these articles were made in England before the war, and the people had to be educated in their manufacture. (Reading):

They have increased their output by extending their plant and improving their process. They have naturally been fostered in that by the enormous demand and the high prices they have been able to obtain from their customers. Electrical apparatus, in some particulars, was almost entirely in German hands. Every one of these articles, glass, chemicals, dyes, electrical apparatus, and I could name about a dozen others, were industries of vast importance not only to us as a great commercial country but as a fighting country. Without these glass articles, without some of the porcelain articles which are essential for electrical construction, without the best type of magneto, without some of the best of our chemicals, and without a great range of dyes, which used to be manufactured in Germany, we were placed at a great disadvantage. Never again should that happen.

This is more than a mere matter of competing with Germany. It ought to be part of our national organization. There should be no essential article, either for the arts of peace or for the arts of war, upon which we cannot within the Empire lay our hands. Such progress as has been made in these directions cannot be made purely with Government assistance. When we had a short discussion on this subject on the adjournment some weeks ago I observed it was suggested that at the Board of Trade we had the idea strongly fixed in our minds that merely by assistance given in Government departments it would be possible for us to foster that notion. Government departments can do a great deal, and I believe they ought to do more, but without the personal ability, without the training, skill and industry of the individual nothing can be done by Government departments. I therefore put down, as one of the first necessities of this country if she is to hold her own during times of war and when war is over, that we must improve our research methods, the education of our people, and the training of our young men. We should not attempt to economize on the money we now spend on technical colleges and modern appliances. There are other directions in which we can cut down expenditure with less national damage.

[Mr. Glass.]

There is another speech reported in this volume which I think of peculiar interest. It is the speech of Mr. Montague Barlow, which is in part as follows:

The President of the Board of Trade, in a speech made a few weeks ago, on the occasion, I think, of the adjournment, gave a few instances, known to very many of us, of the way in which Germany had her hand on the throat of British industries in more directions than one. He mentioned finance, he mentioned shipping, he mentioned the question of company law, and he mentioned what is even more serious and startling, the ownership of British land by German companies, including the ownership of coal mines. He did not on that occasion mention the ownership of the metal industry. He went into that fully to-night. The control of the whole metal industry of the world, exercised from Frankfurt, by that enormous octopus the German Metal Company, is one of the most extraordinary fables, if it were not so terribly real, of modern industrial life. Take so small a thing as wolframite, and the manufacture of tungsten steel for machine tools. Every one knows that the manufacture of machine tools, in which at one time this country was pre-eminent, has largely passed out of this country altogether into the hands of Germany and America. The manufacture of steel tools depends on tungsten, and the manufacture of tungsten depends on wolframite. We had the only source of wolframite in the world in this country and in the Allied countries. The main source for us was in Cornwall. Twelve years ago wolframite was a waste product in Cornwall. Its utility was discovered and a company was started for the treating of it, and at the same time, or almost immediately afterwards, a company was started in Hamburg, also for the purpose of treating it. The Germans captured the wolframite supply of Cornwall. They cut down the normal price of 5s. 6d. to 2s. 6d. They killed the English company, which had sunk some £20,000 of capital, by lowering the price, and when the English company was put out of business they, of course, raised the price to 7s. 6d. That is only a small instance, but that is the kind of process which has gone on and the process which will go on, and which Germany means shall go on, after the war, unless proper steps are taken to prevent it.

Facts could be cited by the hour to show that the adoption of technical education and its wise application to the industrial needs of the country made Germany stand out prominently in the commercial life of the world. Opportunity is now knocking at

our doors. It is our duty to look ahead and to make ample provision at the earliest moment for the development and spread of technical education in all parts of Canada. I am entirely in sympathy with this idea, and I believe that the members of this House are in sympathy with it also. While I re-echo the sentiment expressed by Mr. Hewins in the speech I have read, that there is only one object at the present time, and that is successfully to finish the war, yet I believe it is also the duty of the Government, and that the Government will apply themselves to that duty, to keep ahead of the need of technical education in this country.

And when technical education is attempted, it should not be in a small or paltry way. We have appropriated for agriculture $10,000,000, to be given over a period of ten years. I believe if we had given twice that sum it could have been spent profitably and with advantage to the country. But the question of technical education is such a broad one and means so much in the development of this growing country, that no sum in reason appropriated for its development will be objected to by the people. I hope that the Government, at the earliest moment possible, will see their way clear, as I am sure they will, to lend most liberal aid in this direction.

Mr. D. D. McKENZIE (Cape Breton North and Victoria): Coming as I do from one of the large industrial centres of Canada, I cannot allow this subject to pass without speaking a few words in support of the views so ably presented by the hon. member for Pictou (Mr. Macdonald), and supported by the other gentlemen who have spoken. This question of technical education is not new to us; we have listened to speeches upon it every session for the last ten or twelve years. The hon. member for Pictou is to be congratulated upon having been able to infuse new life into this question. I suppose that the war situation has stirred us up to attention to this matter as nothing else could have done. That being the case, the public mind being alert upon this matter, I think that the Minister of Labor on behalf of the Government might well take advantage of the opportunity to do what he can, in co-operation with other authorities, to put technical education upon a better footing than that upon which it now stands. We shall never do anything in this matter unless we make a start. The old saying is that the man who would play the violin must play the violin. The thing for the minister to do is to make a start. I submit that he will never find the Canadian people in better frame of mind to stand behind him in taking the forward step than he will find them to-day.

Technical education is a question of many sides, many degrees, having many phases. But, considering it in its simplest form, technical education is learning how to do things; how to make a great many things better than anybody else can make them, and how to make plenty of them, so that we shall have an abundance for ourselves and be able to sell to other countries. In this way, we would grow to be a great manufacturing country, as they did in England. We can never manufacture largely if we manufacture and produce only for our own population. There is no reason in the world why eight or ten millions of people should not produce an abundance for themselves and also be a great manufacturing and transporting country.

I believe that technical education will teach us to value things; to know what can be made out of things. I would point out to the hon. Minister of Marine and Fisheries, who comes from a lumbering province, that in the forests of New Brunswick the greatest ravages and the greatest plunderings take place. When a tree is cut down in the lumber woods of England, it is used from the roots to the last twig on the top; something is made from every part of the tree. This is done because they know how to use everything: they bind up the smallest twigs, which cannot be used for anything else, and put them up in bundles to be used as kindling wood. In Canada we have an abundance of raw material, but we do not value it; we waste it. Technical education would teach us what can be produced from these things; it would enable us, with less labour and with less destructiveness, if I may use the term, to produce results of which we little dream. Perhaps I can impress the mind of the committee, and, perhaps of the minister, better than in any other way, by repeating an expression used by one of the Armours, the Chicago pork packers. Speaking about his own industry, Mr. Armour said: "Nothing in the hog escapes utility with us but the squeal." Of course, they have not found anything that they could make out of the squeal, but nothing else escaped. That conveys to the minister my idea of the proper utilization of the raw materials which are to be found in this country. If we make the most of

what we have—and we cannot do that unless we know how to do it—our country will be very different from what it is. I have always deplored the fact that we send out of this country so much raw material. Why should so much raw material go out of the province of New Brunswick in the shape of lumber? Why should it not be manufactured in that province and afterwards exported to other countries? As it is now, the raw material goes to the United States; our best, men, boys and girls, follow it and work in a foreign country moulding our own raw material into the manufactured state. I see no reason why what is being done with raw material in other countries should not be done with that material in Canada.

A great deal has been said about our copper, nickel, and other minerals. Is it not a pity that we have to send our nickel out of the country to be manufactured? Is it not a pity that our copper must go out in a semi-raw state to be manufactured in another land? Evidently our people have not been educated to know how to deal properly with this raw material. In my part of the country we are producing steel and iron in large quantities. There is no reason why that steel should not be manufactured in this country into the finer articles which are made of steel. Why not produce knives, razors, and mechanical tools in this country? Why not make locomotives and engines, when we have the raw material? The reason is that we have not been educated to do it; orders have to be filled in a hurry, and they are given to firms in other countries. The steel that we produce should be manufactured down to the finest article which is made of steel. If we have not the technical men to assist us in making a start, we can bring them in and educate our own boys; the development will be remarkable. Only a few years ago, the site of the present magnificent steel plant at Sydney was an empty field. I suppose nobody in the island of Cape Breton knew anything at that time about the making of iron and steel; the company had to import new men. To-day in those steel works you will find Canadians, Nova Scotians, mostly Cape Bretoners, doing the technical work in that immense plant. This condition was brought about by the operations of the technical school in Nova Scotia and the night schools to which the hon. member for Pictou referred. I think we have a splendid opportunity at this time of taking steps to make the people of this country dependent on themselves and independent of others. We should take such steps as are necessary to develop the vast wealth of raw material which is in our country, to convert it into the finished article, and to make the most of the opportunities that are within our reach. I must repeat that I am much pleased that the hon. member for Pictou has put this subject so forcefully before the committee, and I trust that his efforts and the efforts of other gentlemen who have addressed the committee will bear good results.

Mr. CROTHERS: Mr. Chairman, in the first place, I wish to express my deep appreciation of the hon. member for St. John's earnest appeal for the restoration of ship-building at Courtenay bay.

Mr. PUGSLEY: I said in Canada; I did not limit it to Courtenay bay.

Mr. CROTHERS: His observations revived my great admiration for the facility with which my hon. friend changes his mind. His pathetic appeal for the restoration of ship-building on Courtenay bay almost brought tears to our eyes.

Mr. A. K. MACLEAN: He did not speak about restoring the industry on Courtenay bay; he was speaking generally.

Mr. CROTHERS: He did speak about Courtenay bay. He said there was a great ship-building industry there. I have been there, and I think it is within sight of the place where my hon. friend spent his life from boyhood up. During the time that ship-building was disappearing from Courtenay bay, my hon. friend was a very influential statesman in the province of New Brunswick, and had great influence in the legislature of that province. During a portion of the time he had a very great influence in the Parliament of Canada. I have yet to learn that during any of those years he did the first thing towards the restoration of ship-building on Courtenay bay.

Mr. PUGSLEY: I am afraid the minister has not been studying history very much.

Mr. CROTHERS: I had the honour of sitting in this House with him for three or four years while he was in power, and I do not remember his having urged upon his party or the Government of which he was a member the necessity of doing anything towards establishing or re-establishing ship-building in Canada.

Mr. PUGSLEY: We shall have to refresh the minister's memory.

Mr. CROTHERS: If he did make any effort in that direction, it would only show that he had not influence enough with his party to carry them with him, because nothing was done. Although he accomplished nothing during those years, I want to say that I sympathize very keenly with the idea of establishing a ship-building industry in this country.

Mr. PUGSLEY: The minister has been in power now for nearly five years and has done nothing.

Mr. CROTHERS: I am quite favourable to applying to that industry the principle of protection that we on this side of the House have advocated for many years, and I am pleased to think that, from his observation, my hon. friend is becoming a convert to that principle. He desires that that industry should be assisted from the treasury of this Government.

10 p.m.

Mr. PUGSLEY: By granting a bonus. Does my hon. friend take that to be a recognition of the protective system?

Mr. CROTHERS: I should think so; I think that is one form of protection. I understand that when this Government contributes public funds to any industry, it is protecting that industry to the extent that it applies public funds to it.

Mr. PUGSLEY: I thought that protection meant keeping out competition.

Mr. CROTHERS: I listened with great interest to the instructive and eloquent observations made by the hon. member for Pictou (Mr. Macdonald) on the question of technical education, and also the similar observations made by the hon. member for Peterborough (Mr. Burnham), the hon. member for East Middlesex (Mr. Glass), and the hon. member for Cape Breton (Mr. McKenzie). But, as hon. members will observe, there is on the Order Paper a notice of motion by the hon. member for Rouville (Mr. Lemieux) on the question of technical education. I understand that that motion is to be taken up on Monday next, and I prefer to reserve any observations I desire to make on this matter until that occasion.

Mr. MACDONALD: It is not arranged to our knowledge. There are a number of motions on the Order Paper that will come before it.

Mr. CROTHERS: It frequently happens that motions are taken out of their order. That has been done several times this year. I was also glad to hear the remarks of the hon. member for North Oxford (Mr. Nesbitt), and the hon. member for Edmonton (Mr. Oliver) concerning the treatment which we should mete out to our returning soldiers. I am very glad to know that every member of this House, and I believe every person in Canada, appreciates to the full the great sacrifices that our young men are making in fighting our battles on the fields of France and Flanders. They are making the supreme sacrifice there. I sometimes wonder whether the people of Canada fully realize what we are fighting for. It strikes me we are fighting not only for the integrity and honour of the Empire, for the liberation of Belgium and for the crushing for all time to come of Prussian despotism from the face of the earth, but over and above all things else we are striving for the independence and freedom of Canadians themselves. I firmly believe that a German victory would mean a German Canada, and that we are not, as some people say, simply rushing to the assistance of the Mother Country, as, of course, we did, but that we are fighting for the liberties we enjoy as Canadians, which would be sacrificed if Germany should win. That is the way I regard the war.

Mr. PUGSLEY: I think we all agree with you in that.

Mr. CROTHERS: I thought my hon. friend made some observation to the effect that he did not believe there was any danger in that direction.

Mr. PUGSLEY: I am sure we are going to win, that is all.

Mr. CROTHERS: I am not so sure.

Mr. CARVELL: Oh ye of little faith!

Mr. CROTHERS: From my experience I have come to the conclusion that the man who is always cocksure he is always right is generally wrong, and the man who admits he is sometimes wrong is generally right. No man knows when this war will cease, or how it will cease and while we are in that position it seems to me we should concentrate all our efforts on the successful prosecution of that war, and not divert our strength in any way whatever. We do a good deal of talking about economy, and about thrift, and about saving, and yet it seems to me that we are spending months here in doing business that could be done in weeks, and spending many thousands

of dollars a day that might better be spent in the prosecution of this war—and we are doing some talking which I do not think contributes to the successful issue of this war.

Mr. PUGSLEY: As for instance?

Mr. CROTHERS: As for instance? Every word that is uttered in this House or out of this House that tends to shake the confidence of the people of this country in the capacity and honesty of this Government, to that extent encourages our enemies and discourages our friends in this country, and should, so far as possible, in my humble judgment, be avoided. I am speaking as sincerely as possible for me to speak on any occasion or on any subject.

I was glad to hear the hon. member for North Oxford and the hon. member for Edmonton speak about the manner in which the returned soldier should be treated, especially in the direction of technical education. I am not aware whether it has been stated in this House before—if so, I am going to repeat it now—that the Government have not been unmindful of these things. They have considered them. A good deal of the time has been taken up in this House, months instead of weeks, that they should be devoting to a consideration of the best way of bringing this great war to a successful ending. But, they have thought a good deal about returning soldiers. Many months ago the Military Hospitals Commission was appointed, it is presided over by the Hon. Senator Lougheed, and it is composed of leading men from Vancouver to Halifax. They meet in different places. They have met in Quebec, Toronto and Montreal, and they are meeting in this city to-morrow. Shortly after they were appointed the Prime Ministers of the several provinces were invited to come to Ottawa and attend a conference to consider what should be done for the disabled soldiers. The Military Hospitals Commission, of which I have the honour to be a member, was sitting at the same time. The representatives of the various provinces held a separate meeting and then held a joint meeting with the commission afterwards. Of their own motion, they proposed to undertake to find employment for all disabled soldiers returning to this country as far as it was possible to do so. With the view of carrying that out a commission has been appointed in each one of the provinces; at least, I know there has been one appointed in Ontario. That commission has established a local committee in each town in Ontario. When a soldier returns to the town they are supposed to meet him at the station, to look after him until some other provision is made for him and to do everything possible to secure him a position suitable to his ability.

We all perhaps could do something in that direction. If you will pardon a personal reference, I would say that the most important public office in my constituency was vacant a short time ago? I had a great many applications for it as you may readily understand. I looked around among those men eligible for the position. I found a man who, I thought, was eminently qualified to discharge the duties of the office. I knew that his only two children were in the trenches in France and, although he made no application for the position, I wrote and asked him if he would accept it, telling him that I would recommend him if he would. He accepted it and was appointed, greatly to the disappointment of many political friends who desired it. I have succeeded in placing two others who returned disabled from the front, one in my own department in Ottawa and another as a mail clerk on the railway. We all can do something in that direction. If we could locate one, two, three, four, or five, it would amount to something.

Mr. PUGSLEY: Will the minister undertake on behalf of the Government that he will allow members of the Opposition to have the same chance of placing returned soldiers in these positions?

An hon. MEMBER: Abolish patronage.

Mr. PUGSLEY: This is a good opportunity for the minister.

Mr. CROTHERS: I can only speak for myself, and all I have to say is that I shall be very glad indeed to receive from any member of this House, whether on the Government or the Opposition side, any suggestions with regard to qualified men to fill any vacancies I have control of.

Mr. PUGSLEY: That is a diplomatic answer.

Mr. CROTHERS: That is just our position towards both parties.

Mr. PUGSLEY: You might give us a little more encouragement.

Mr. CROTHERS: I want to give my hon. friends a little encouragement. I was in my own town a few days ago, and

called at the house of a gentleman who has been a Liberal for a long time. He had three sons fighting in the trenches in France. Immediately across the street lives another Liberal, 85 years of age. He has only four sons, and all four are at the front. The last one was going to England with a nurse and his mother said to him: "Archie, when you get over there, if you find you can do anything for the Empire, don't come back; your father and I will get along some way without you." I went to the next corner and came across a Tory who had only two sons at the front. There was another Tory across the street who had three sons at the front. When one of these people gets a letter he goes around to the others to read it; they sympathize with each other, and they are being drawn together in bonds of friendship and affection by this war as they never were before. They are all doing their best, and it is up to us to do our best here. We must not squander our time or money, but we must put our whole effort into the winning of this war, and we must keep at it until the war is over. We realize the great questions that will have arisen when this war is over; but I do not think we should squander or waste our time in speaking of subjects that are not directly connected with the prosecution of the war.

Mr. A. K. MACLEAN: In the British Parliament, and in the Parliament of France, the greater portion of the time is occupied with matters not directly connected with the war, but rather with the future interests of the country and with conditions which are likely to arise after the war. My hon. friend takes a very peculiar view about this. It is a very peculiar thing for the hon. gentleman to say: I think it would be a great misfortune if the conduct of the war were left directly to Parliament. It would be a very dangerous thing to leave the conduct of this war to Parliament.

Mr. CROTHERS: My hon. friend has a perfect right to his opinion in that respect.

Mr. MACLEAN: But my opinion is apparently the opinion of the world.

Mr. CROTHERS: That does not make any difference.

Mr. MACLEAN: Do you want to be all alone?

Mr. CROTHERS: I want to have my own opinion.

Mr. PUGSLEY: The minister is up on a lonely pedestal. He is reading us a lecture.

Mr. CROTHERS: No, I am not reading you a lecture.

Mr. MACLEAN: Did not the hon. member for East Middlesex (Mr. Glass) read copiously from debates in the British House of Commons, and did not the minister congratulate him upon that magnificent and illuminating speech?

Mr. CROTHERS: I am not speaking for the British Parliament or the British House of Commons; I am stating my views as to what we should do in the prosecution of this war, and I say we should devote our attention to things that are connected with the war, although not perhaps directly. I do not expect that we should all put rifles on our shoulders and use them, but we should ask ourselves what we can do to contribute to the success of the war. I believe there are many men in this House who do not approve of everything that has occurred in England. There has been a good deal of dissention in the British House of Commons, and I do not think it has contributed to the strength of the English people in this war. I think it has tended to weaken them and to encourage our enemies. But I do not think that should occur either here, or in England, or in France, or anywhere else. I am asserting my own opinion in regard to it.

But, to return to the matters upon which the hon. member for Edmonton and the hon. member for North Oxford were speaking in connection with the education, or re-education, of those who have come back from the war disabled. As I have said, the various provinces have undertaken to place these men, as far as possible, in suitable positions. They undertook, further, to allow us to use any provincial institutions for the re-education of disabled soldiers, so far as that might be considered proper. For instance, if a soldier returned to Ontario blind, we could send him to the blind institute for the province, paying the province a certain sum for his maintenance and education while there. If a soldier returned insane, we could send him to one of the public lunatic asylums of the province, and pay his keep while there. We could send any number of returned soldiers to the technical

schools in Ontario, paying the Ontario Government for their keep.

Mr. A. K. MACLEAN: Is that being done now?

Mr. CROTHERS: I do not know if it is actually being done. It has been considered by the Military Hospitals' Commission.

Mr. PUGSLEY: Do I understand that soldiers who return to Canada after having been rendered temporarily insane, by reason of their experience in the trenches, are sent to the ordinary public asylums?

Mr. CROTHERS: I did not say they were. Each case would be considered on its merits.

Mr. PUGSLEY: I think these cases ought to be given special consideration and treatment.

Mr. CROTHERS: Of course. I am not going into details, but am simply pointing out what arrangements have been made with the provinces. The provinces undertook to get employment for these men as far as possible, and to use the provincial institutions. We agreed to pay a certain sum for the education and care of disabled soldiers. There will be some soldiers, of course, who will be permanently disabled and never again in a position to do work. Probably homes will be provided for them. That has been discussed by the commission. Then there are Convalescent Homes. There is one in Ottawa, in which thirty-seven soldiers are convalescing to-day. The soldiers who are sent to these homes will probably all be restored to health. We are not unmindful of the soldier. Nothing is too good for the man who has risked his life for the British Empire. This Government and the Provincial Governments, municipalities and commissions, are all co-operating to bring about satisfactory results. In individual cases the results may not be satisfactory. Cases of that kind always occur. One can only do his very best. This commission, barring myself, is composed of some of the leading men in Canada. They are giving their services.

Mr. McKENZIE: You are too modest.

Mr. CROTHERS: They are doing their very best for returned soldiers, and will continue to do so regardless of any adverse criticism. I think that is all I desire to say on that question.

Mr. PUGSLEY: I am very sorry the minister has made some remarks which certainly demand a reply from me. If I did not reply, it would seem as if I was doing an injustice to myself, and treating without due consideration the references of a personal character that the hon. minister has made. Before referring to the question of ship building, I should like to say that I do not wonder at the frantic efforts which not only he but other members and supporters of the Government have been constantly making to induce the people of this country to believe that this Government ought not to be criticized for their conduct while the war is on; that anything that would tend to create a feeling of want of confidence in the judgment or integrity of the members of the Government would be injurious to the public interests during this terrible conflict. Well, Sir, I wonder if the minister proposes to bring in a Bill of a retroactive character to restore Messrs. Garland and Foster to their places in this Parliament. They have been compelled to resign their seats in this House because of the investigations before the Public Accounts Committee last year in connection with the purchase of horses, drugs, bandages and things of that kind. If the doctrine of the minister and the Government be true, the Public Accounts Committee were exceedingly remiss in their regard for the welfare of the Empire when they presumed to investigate these matters, because necessarily the disclosures which were made tended to weaken the confidence of the people in the administrative ability of this Government.

Mr. CROTHERS: Oh, no, the Government took an active part in the investigations.

Mr. PUGSLEY: If it had not been for the action of the Liberal members of the committee in forcing those investigations, Messrs. Garland and Foster would still be occupying seats on the floor of this House. Therefore, upon the theory that the matters that have been disclosed ought not to have been inquired into for fear public confidence in the Government might be weakened,—upon that theory an apology is due to these two gentlemen, and some steps ought to be taken to give them back their seats in this House.

Mr. CROTHERS: You are misrepresenting what I said.

Mr. PUGSLEY: Another thing. A commission has been appointed by this Government called the Economic Commission, and it has been considering the whole question of what is to be done after the war is over. Of course, it may be that this

Government did not think it would be in the public interests to appoint that commission, but, impelled by the mania they have for appointing commissions, they found it impossible to resist the bend of their minds in that direction. That may be the case; I do not know. But this Government has certainly got the habit of appointing commissions, and perhaps they no longer fight against it. Let us say to my hon. friend the Minister of Labour that the unfortunate thing is not that the members of this Parliament have criticized the conduct of this Government and the conduct of their appointees, including the Shell Committee; the unfortunate thing is that there is ground for criticism. It is the fact that there is ground for criticism that weakens the confidence of the public in this Administration. That is the lamentable thing. We have the spectacle presented to the people of this country by incontrovertible evidence, that through the appointees of this Government there has been lost to the people of Great Britain and Canada at least $80,000,000 in connection with contracts for shells. The whole of that amount might have been saved if proper business methods had been pursued.

Mr. CROTHERS: Was not the action of the people of this country in forcing an extension of the term of Parliament for another year an expression of their confidence in this Government?

Mr. PUGSLEY: Let me say to my hon. friend that it was distinctly understood—and I for one wish it to be understood most emphatically—that the extension of the term of Parliament was not, and was not intended to be, an expression of confidence in the Government either by this Parliament or by the people of this country. It was a question of two evils: a question of continuing in power a Government in which many members of this House, and, I think, a large majority of the people of this country had no confidence, or forcing the people of Canada into the turmoil of an election while the war was on. Of the two evils, many of us, to our deep regret, felt obliged to choose what we thought was the least, so far as the interests of Canada and the interests of the Empire were concerned. Do not let the minister take any comfort to himself that the extension of Parliament means a continuance of confidence in this Government.

Do not let him think for a moment that it means that we are not to reserve our right to criticise. When the right hon. leader of the Opposition supported the resolution for the extension of Parliament he made it distinctly understood that the Opposition reserved the right to criticize wrongdoing whenever it should appear.

Mr. CROTHERS: You are wandering from my question.

Mr. PUGSLEY: What was my hon. friend's question?

Mr. CROTHERS: If the fact that the people had expressed the desire that there should be no election for another year, and that this Government should be allowed to carry on the work of the country for that period was that not an expression of their confidence.

Mr. PUGSLEY: Not at all. It was a choice between two evils, just as it was amongst hon. members on this side.

Mr. CROTHERS: You were probably moved to act as you did by the feeling of the people throughout the country.

Mr. PUGSLEY: When the people of this country, as my hon. friend will find, if he reads the newspapers, expressed the opinion that the term of Parliament should be extended on account of this war being in progress, there was announced everywhere in the public press an earnest hope that the Opposition would insist upon the strictest economy in the expenditure of public monies and upon the exercise of the very greatest degree of honesty in the administration of public affairs. My hon. friend thinks he has a right to lecture us, and, perhaps, he has, but it will not have any effect. No matter what my hon. friend says, we will still endeavour to discharge our duty, as we see it, to the public.

Mr. CROTHERS: I am only repeating in substance what the right hon. leader of the Opposition said more than a year ago, and what the hon. member for Calgary (Mr. Bennett) quoted yesterday.

Mr. PUGSLEY: Nothing of the kind. My right hon. friend, in his speech on the Address, said that that was giving a distorted interpretation of his remarks. He said that he never intended to shut his eyes to wrongdoing or to improper expenditure of the public money. What he meant was, that, with respect to the Government's method of raising money for war purposes and of the actual carrying on of the war, even though the Opposition might not approve of the methods pursued, there would be no opposition. Have we not

shown our earnestness in that regard? Whatever money the Government has asked for war purposes, we have freely granted. While we might differ as to the method of raising the money, and while we endeavoured to impress the Government with our views, and to point out a better path which they might pursue, yet in the end we voted the money freely, and we leave the responsibility with them. But so far as wrong-doing is concerned, we would be most neglectful of our duty if we were not to bring before the House the matters which we have, in the public interest, brought to its attention during the present session of Parliament. Let me again assure my hon. friend, even although he may think that the time of the House has been improperly taken up in our pointing out the negligence of the Government in allowing their appointees, the Shell Committee, to pursue those irregular and wasteful methods by reason of which vast sums of money have been lost to the people of this country and of Great Britain, that we take an entirely different view from his, and believe that we are simply discharging our duty in the manner in which it ought to be discharged in the public interest.

Now, my hon. friend has said, notwithstanding the remarks made by the hon. member for East Middlesex (Mr. Glass), and by hon. gentlemen on this side of the House with regard to technical education, that he does not think it proper to give any attention to that subject at the present time, but that we should wait until the war is over. At the same time he tells us that he is not confident that we are going to win in this great struggle, and perhaps that is a reason why he wants to let all these matters stand until the war is over. We on this side take a different view; we believe that the Empire is going to win, and we think that we ought to be taking into account questions of importance which, if solved properly, will be to the advantage of the people of Canada when the war is brought to a successful issue. Why did my hon. friend as Minister of Labour not do anything in the way of developing technical education during the four years that this Government was in power before the war broke out? The Technical Education Commission was appointed by the late Government; it went into the whole subject most exhaustively; it is now several years since it submitted its report; and yet this Government simply pigeon-holed that report and took no action with regard to the matter; and in these estimates which are before us to-night for consideration, while we find that, for work of no practical importance to the people of Canada, such as the item which we were discussing the other evening for astronomical surveys, investigations and demarcations of the exterior boundaries of Canada, the triangulation, levelling and topographic work of the Geodetic Survey of Canada, there is the sum of $260,000 presented for the consideration of Parliament, when we come to industrial training and education, there is the magnificent sum of $1,000, bearing striking testimony to the importance which my hon. friend the Minister of Labour and his colleagues attach to technical education. Notwithstanding the fact that has been so well presented by the hon. member for East Middlesex (Mr. Glass), who supports the Government, and by hon. members on this side, that there is no subject of greater importance to the people of Canada than industrial training and technical education, although this Government has been in power since October, 1911, a period running now well on to four and a half years, not a single step has been taken in the direction of acting on the report of the Technical Education Commission or of giving any encouragement to industrial training or technical education. I do not forget that the provinces have done a good deal in this connection. They have all spent a great deal of money and devoted a good deal of effort towards the education of the young men and women of our country, and as a result of what has been going on during the last thirty or forty years, to-day, man for man, and woman for woman, there is not a more highly educated people on the face of the globe than the people of Canada. When during this war the Canadian people were called upon to undertake a great industrial work, we saw with what intelligence they applied themselves to their duties; we saw how quickly inexperienced young men became trained in the technical work of manufacturing munitions of war, and the results have caused the surprise and admiration of the world. This Government, during the years they have been in power since this report has been published, ought to have taken active steps to give financial assistance to the governments of the different provinces in extending education along industrial and technical lines.

My hon. friend, moreover, apparently desired to-night to give as little information as he could when he was asked with regard to the attention which the Government had paid to ship-building, a subject which one

would think would be impressed upon the Government day and night, if they had any intention of giving proper assistance to the industries of this country from the Atlantic to the Pacific. Knowing that the cost of ocean transportation has increased a thousandfold since the world began, knowing the inconvenience to which our people have been put by reason of the decline of shipping in Canada, my hon. friend comes down to-night, and, without disclosing any policy of the Government, without telling the committee that the Government has any policy or intends to do anything, tries to make light of what he calls my "yearning" for the development of Courtenay bay and says I never did anything for the development of shipbuilding, and therefore it does not lie in my mouth to bring the subject before this Parliament. The hon. gentleman does not do his intellect or his memory justice when he makes that statement. As a member of the late Government, I was the first minister to give a contract for the building of a wharf in the harbour of St. John to assist in the development of the winter port business of that city. I carried out in a very extensive way the work of dredging that harbour, realizing that through such ports as St. John, Halifax, and others in the Maritime Provinces, we ought to offer facilities for traffic in order to draw away from the American cities the traffic of the Canadian West which properly belongs to us and should be carried by Canadian channels through Canadian ports.

As to Courtenay bay, let me tell the hon. gentleman that I, in co-operation with my colleagues, took up with the Grand Trunk Pacific Company, through Mr. Hays, its late president, the question of bringing the Transcontinental railway down to the port of St. John. The Grand Trunk Pacific Railway Company were willing almost immediately to engage in the operation of its road from the ports of Halifax and St. John right through to the Pacific Coast, operating it as a great transcontinental railway ought to be operated, in such a way as to draw the traffic of Canada through Canadian channels to Canadian ports. I had Courtenay bay surveyed from end to end and from side to side, and was able to demonstrate from the borings made that there was opportunity to create there another splendid harbour and give accommodation for shipping at the port of St. John. With the consent of my colleagues, I had a large appropriation put in the Estimates for the development of the harbour, and called for tenders for that work, including the building of a dry dock, the dredging of Courtenay bay and of the channel, and the building of piers. At the same time, my colleague, the Minister of Naval Affairs in that Government, called for tenders for the building of ten war vessels in the Dominion of Canada. For the Courtenay bay works, including the dry-dock, the lowest tenderer was the Norton Griffiths Company. For the building of the ten warships the lowest tenderer was the great firm of Cammell, Laird & Co., who have the magnificent shipyards upon the Mersey river near Liverpool. We were defeated in the election of 1911, and went out of office. We left behind, among the records of the Executive Council, the statement that we thought it was best, in view of our having been defeated, to leave the awarding of these contracts to our successors. But my colleague, the Minister of the Naval Service, had returned the deposits on all the tenders for the building of the ten war vessels, and the establishment of a ship-yard in Canada, with the exception of the one of Cammel, Laird & Co., whose tender covered the establishing of a large, up-to-date and most complete ship-building plant at the port of St. John, and to proceed with the building of ten war vessels at that port.

Mr. ROGERS: I thought they were to be built in Montreal.

Mr. PUGSLEY: If the hon. minister will take the trouble to examine the tender of Cammell, Laird & Co., he will find that they say that after a careful examination of the ports upon the St.Lawrence and upon the Atlantic coast, they came to the conclusion that the port of St. John was that at which it would be most advantageous for them to establish ship-yards and build war vessels, and their intention was to build them there.

Mr. ROGERS: The hon. gentleman has probably forgotten the facts. Was not there a difference of opinion between the hon. member for St. John (Mr. Pugsley) and the leader of the Government of that day (Sir Wilfrid Laurier) as to where these vessels were to be built, and was not that the cause of delay?

Mr. PUGSLEY: While the tenders were under consideration, questions arose as to who were the lowest tenderers. The offer of Cammell, Laird & Company was to build at Courtenay bay. There was a tender of the Vickers Maxim Company to build at Mont-

real, another tender to build at Halifax, and others at other places—six or seven tenders in all. But before we went out of office, the then Minister of Marine and Fisheries decided that the tender of Cammell, Laird & Co. was the lowest and returned all the deposits of other tenderers, leaving it with his successor to complete the awarding of contract, and leaving also the deposit of $100,000 of a guarantee. The Minister of Labour says that he never heard of my doing anything.

Mr. CROTHERS: The hon. gentleman has not told us anything about ship-building.

Mr. PUGSLEY: I said that the plans covered the establishment of large ship-building yards at St. John.

Mr. CROTHERS: The hon. gentleman talked about the building of a wharf.

Mr. PUGSLEY: It included also the building of ten war vessels, and there is something else that the hon. gentleman may not know but that the people of St. John do know—

Mr. CROTHERS: There was no contract for the building of war vessels so far as I have heard.

Mr. PUGSLEY: Does the hon. gentleman say there were no tenders?

Mr. CROTHERS: No, but the Government of that day kept them for six months and did not either accept them or reject them.

Mr. PUGSLEY: I have already said that when we went out of office, my colleague, the Minister of Marine and Fisheries, decided that the tender of Cammell, Laird and Company was the lowest, and left that tender in his office, together with a deposit of $100,000 as a guarantee for the carrying out of the contract. When the present Minister of Marine and Fisheries (Mr. Hazen) took office, instead of acting upon that tender and awarding the contract for the establishment of a shipyard and the building of these war vessels at the port of St. John, the hon. gentleman, although representing that constituency, returned the deposit of Cammell, Laird and Company and allowed the whole matter to lapse.

Mr. CROTHERS: Why did not that Government accept the tender?

[Mr. Pugsley.]

Mr. PUGSLEY: Had we done so, we should have been charged with having entered into a contract of enormous importance after we had, for the time being, lost the confidence of the people. We did not think it would be proper.

Mr. ROGERS: Why did not the Government accept them before that?

Mr. PUGSLEY: The tenders were taken home to England by the then Minister of Marine and Fisheries, Mr. Brodeur, for examination by the Admiralty. The specifications were examined by the Admiralty and approved. And when the hon. gentleman returned to Canada, almost immediately thereafter there was a dissolution of Parliament, and there was no opportunity to act upon the tenders before that dissolution took place. It resolves itself into this: that I as Minister of Public Works called for tenders for the building of the works at Courtenay bay—my colleague the Minister of the Naval Service called for tenders for the building of war vessels, which involved the establishment of a great shipyard and ship-building plant. When the present Government came into office these tenders for the shipyard and shipbuilding plant were abandoned and the deposit was returned. The hon. Minister of Public Works acted upon the tenders which I had invited, and simply let the contract for the Courtenay bay works, involving the dredging, the docks, and the building of a dry-dock. I am quite prepared at any time to allow my conduct in connection with the development of ship building in Canada to be examined into and to be subject to all possible criticism. I desire to thank my hon. friend the Minister of Public Works for the efforts that he has made to have the work of developing Courtenay Bay carried on under the plans which I had prepared, and upon which I had invited tenders. I regret that he has not found it possible to proceed more rapidly; I should like to have seen the work of the dry-dock much further advanced than it is. While I am on my feet, let me say one other thing in this connection—the Minister of Labour is responsible for my rising to my feet at all, which is, perhaps, an unhappy circumstance. In my judgment it is deplorable, after the effort that was made to have a transcontinental line built and operated from the Atlantic to the Pacific, that this Government has tried its very best to defeat the whole project. The road is completed between Moncton and Cochrane and

all the way on to Winnipeg. The road is a magnificent one; the road-bed is the finest upon the American continent. They have a car ferry at Quebec, yet, Sir, they are practically operating only that part of the road between Cochrane and Winnipeg. Not long ago—

The CHAIRMAN: I regret very much to have to bring the attention of the hon. gentleman to the fact that we are discussing an item of the Department of Labour, $35,000. When the item was read this afternoon, the consensus of opinion in the committee seemed to be that there should be a general discussion of the question of technical education. This discussion was carried on during the better part of the day. It then seemed to be the desire of the committee to discuss shipbuilding, although, strictly speaking, the discussion of that subject was out of order. I must respectfully ask the hon. gentleman not to enter into a discussion of the Transcontinental railway; I hope he will confine the rest of his remarks to the item under consideration.

Mr. PUGSLEY: I was wondering whether there really was any ground upon which I could continue my remarks. I must concur absolutely in your ruling, Mr. Chairman. My only excuse was that the Minister of Labour departed from the rule, and that seemed to justify my following what I am bound to say was his pernicious example.

Mr. CROTHERS: The hon. gentleman himself began this discussion about shipbuilding.

The CHAIRMAN: Order.

Mr. PUGSLEY: I was never more earnest about anything in my life when I say that the Government ought immediately to bring down a policy of encouraging the building of ships in Canada. A great many people would thus be given employment; enormous advantage to Canada would result. If the Government do not do that without further delay, they will be guilty of a crime against the people of Canada. That is a strong word to use, but in view of the decline of Canadian shipping, and of the great demand there is for ships, I may say that it is a crime to delay longer the building of ships in Canada and the establishment of a Canadian mercantile marine on a large scale.

Mr. MACDONALD: Unless we sit very late, it will be impossible for us to dispose of this item concerning the Conciliation Act, because it involves consideration of all the matters that pertain to the labour troubles throughout the Dominion last year. Speaking on behalf of those who have discussed without party bias the important matter that has been dealt with, I must say that the ungracious manner in which the minister dealt with the question was rather surprising. It appears that the hon. Minister of Labour does not want hon. gentlemen on this side of the House to discuss questions in a non-partisan way. I leave it to the judgment of this committee as to whether any of my remarks in dealing with the question justified the minister in making the reply that he did. He took the ground that by virtue of the fact that this Opposition agreed to extend the life of Parliament for a year, we should sit here like a lot of automatons and register the decrees of gentlemen who happen to be in power for the time being. Hon. gentlemen opposite seem to think that by agreeing to the extension of the term of Parliament we gave them a certificate of character. That is a ludicrous proposition.

Mr. CROTHERS: Nobody suggested that.

Mr. MACDONALD: My hon. friend did not know what he was talking about if he did not try to say that the people of Canada, speaking through us, expressed their confidence in the gentlemen who happen to be members of the Government for the time being. He even flattered himself that we on this side of the House had any confidence in the Government when they agreed to the proposal to extend the term of Parliament. Hon. gentlemen on this side of the House were dealing with these matters in an absolutely fair way, without trying to embarrass the Government or to delay the consideration of public business. We want to get through in reasonable time, but when important matters require consideration, we want to discuss them fairly. If we are to take these items up in order, I think I am in the judgment of hon. gentlemen on this side when I say that we are willing to let certain items pass and then adjourn. But in regard to the Conciliation Act—

The CHAIRMAN: The first resolution covers item 278 only.

Mr. MACDONALD: That deals with the Conciliation and Labour Act, in regard to which I should like the minister to make a statement as to whether or not he intends to introduce any amendments during the session.

Mr. PUGSLEY: Let that stand and take No. 281.

Mr. ROGERS: Put them all through except one item, and let that stand.

Mr. MACDONALD: No; if we do that, we will not see the minister again until just before the session closes, and there are very important matters connected with this item. There is the matter of fair wage officers in connection with munition contracts, and there is the Conciliation Act. Other important matters are germane to this item.

Mr. CROTHERS: Has not the hon. gentleman in mind item 279, Industrial Disputes Investigation Act, rather than the Conciliation and Labour Act?

Mr. MACDONALD: What does my hon. friend mean by the Conciliation and Labour Act?

Mr. CROTHERS: That Act refers specially to railways. It is different from the Industrial Disputes Investigation Act.

Mr. ROGERS: My hon. friend will appreciate the fact that hon. gentlemen opposite are not limited to the discussion of any question connected with any department at any time. No member on this side of the House has suggested that. With one item left, it will be quite open to hon. gentlemen to discuss anything they like.

Mr. MACDONALD: There is very important discussion to take place, which will be participated in by hon. gentlemen on this side, some of whom are not here, on the position which the Government takes in regard to fair wage officers in munition plants.

Mr. CROTHERS: That will all come under 279.

Mr. MACDONALD: I would be willing to agree to allow 280, 281 and 282 to pass, the understanding being that the minister will next week, if the hon. member for Rouville makes his motion on technical education, give us a statement in reference of the Government's policy at that time; but the other two items are of importance and call for immediate discussion at the earliest opportunity.

Mr. PUGSLEY: We might allow those two to stand and the other three to pass.

Items 278 and 279 stand.

Industrial training and technical education, $1,000.

[Mr. Macdonald.]

Mr. MACDONALD: I understand that the minister will be prepared to announce the policy of the Government in regard to technical education, and that an opportunity will be given to the hon. member for Rouville to discuss it on his motion.

Mr. ROGERS: The opportunity will be given if hon. gentlemen opposite will let him reach that motion on Monday. It is an understanding between the hon. member for Rouville and the Minister of Railways.

Progress reported.

On motion of Mr. Rogers, the House adjourned at 11 p.m.

Monday, March 13, 1916.

The House met at Three o'clock, the Deputy Speaker, Mr. Rhodes, in the Chair.

PRIVILEGE.

SHELL CONTRACTS—THE SHEET METAL PRODUCTS COMPANY.

On the Orders of the Day:

Hon. A. E. KEMP: Mr. Speaker, I rise for the purpose of discussing for a moment or two a personal matter. In his remarks to this House a few days ago, the hon. member for Carleton (Mr. Carvell) referred to me as being connected with a concern known as the Sheet Metal Products Company of Canada, Limited. I am connected with that concern. I desire first to read to the House a letter I received from that company:

Toronto, March 10, 1916.

Hon. A. E. Kemp, M.P., P.C.,
Ottawa, Ont.

Dear Mr. Kemp:

We are in receipt of a marked copy of Hansard of the 7th instant, in which we find certain references made by Mr. Carvell to this company.

The facts in relation to our transactions with the Shell Committee, briefly, are as follows:

All of the business offered has been through regular channels. No one, except a regular official of this company, has either directly or indirectly, had any negotiations whatever in connection therewith.

Shortly after the war broke out we were asked to make certain articles which were particularly in our line of business, and which we understood were component parts intended for use in making shells for the British Government. We congratulated ourselves on being able to be of some service in this connection, and as opportunity offered we rendered what assistance we could by giving information to other manufacturers, whose experience in a similar class of work was not as broad as ours, resulting, we believe, in increased production on their part, which was most desirable.

We co-operated with the Inspection Branch of the Shell Committee in affording facilities for training inspectors, whereby they familiarized themselves with their work, thus enabling them to inspect similar work which was being done in many other places, and this service was publicly acknowledged. It was also stated that this plant had been of immense value in overcoming difficulties in connection with the manufacture of articles referred to.

The total amount of business received from the Shell Committee, to which reference is made by Mr. Carvell, is considered small from two standpoints. First, in respect to the total amount of the class of articles required by the Shell Committee, which were distributed through many factories in different parts of the country, and second, it is also unimportant from the standpoint of the volume of our regular business, being approximately but three per cent in the years for which delivery was expected.

We do not know that any useful purpose can be served by making reference to that part of the speech which assumed to deal with the technical side of the question, as those who have not an intimate knowledge in respect to manufacturing processes would scarcely appreciate this phase of the subject. Suffice it to say that what are commonly called "tin cups" are made from twenty-two gauge steel tinned. The articles called "clips" are made from either brass or steel, in respect to both of which the combined operations, before completion are not less than thirty, all of which require to be of the most precise and exact character, and which fact, as those who know will understand, is common to the manufacture of all classes of ammunition.

The foregoing has reference to two articles. The third article, to which reference has been made, is what are known as "sockets". We accepted this business for the reason that the information which came to us was that the production of shells was being considerably retarded for lack of this particular part.

The execution of the Shell Committee orders necessitated special concentration and attention of our chief mechanical experts and factory executives, and, to a large extent, impeded operations in connection with our regular business, which under other than war conditions we should have viewed from a different standpoint, being always convinced that breaking into the manufacture of new and intricate articles tends to a condition of affairs which gives unfavourable results.

We remain,

Yours very truly,

The Sheet Metal Products Co.
of Canada, Limited.

F. S. Corrigan,
General Manager.

So much for that. So far as the personal remarks of my hon. friend are concerned, I wish to quote from Hansard. On March 7, Hansard, page 1606, my hon. friend from Carleton, referring to me, made this statement:

I find that the Shell Committee purchased from a member of this Government $300,000 worth of goods.

And on Hansard, page 1607, he made the following statement:

I think the Shell Committee who were appointed by this Government, for this Government, and acting under the instructions of this Government, surely ought to exhaust every means of purchasing supplies before resorting to the members of the Government themselves.

Then, on page 1634, my hon. friend, still debating the same subject, on his responsibility as a member of this House made the statement that I was the manager of, or managed, this company. In the first place, I desire to say that I have never at any time in my life received any favours from this Government or from any other Government of Canada. Secondly, for many years before becoming a member of this Government, I had taken no active part whatever in the management of this company. If all the time that I have given to the consideration of the affairs of this company since the war broke out was added together, I am quite sure it would not amount to as much as half a day. I have not even been in the works of this company since the war broke out. The first specific information I had in regard to these shell contracts, so-called, was when I read the remarks of my hon. friend from Carleton in Hansard. I do not want anything that I am saying, or shall say, to be considered in any sense as an apology because this company accepted this business. If they had refused to accept this business because I was a member of this Government, such action on their part would have received my condemnation. I want to say further, that if I had been the means of having this company refuse to assist in making munitions for the British Government, I would consider myself an object of contempt in this country, and I would not, I believe, be considered a decent Canadian or a decent British subject.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Bill No. 23, to incorporate the Ontario Niagara Connecting Bridge Company—Mr. German—in Committee.

Mr. REID: Section No. 11 was struck out by the Railway Committee, and I would like to have it reconsidered. The section reads:

The said bridge shall be constructed and located under, and be subject to, such regulations for the security of navigation of the said river as the Governor in Council prescribes,

and to such end the company shall submit to the Governor in Council, for examination and approval, a design and drawing of the bridge, and a map of the location, giving the soundings, accurately showing the bed of the stream and the location of other bridges, and shall furnish such other information as is required for a full and satisfactory understanding of the subject; and until the said plans and location are approved by the Governor in Council the bridge shall not be built or commenced, and if any change is made in the plans of the said bridge during its construction, such change shall be subject to the approval of the Governor in Council, and shall not be made or commenced until it is approved.

This is the standard section which is to be found in the Railway Act. I believe it was the late Mr. Blair who first had it inserted, and I do not know why it has been struck out of this Bill, because the committee will understand that, with this section in the Bill, before the company can build their bridge, they must submit their plans to the Governor in Council and have them approved. As I understand, they intend to build a bridge across the Niagara river, and there is a possibility of their wishing to go through a beautiful park owned by the Ontario Government. I therefore give notice that I shall move to have section 11 reinserted.

Mr. NESBITT: The section which the minister has read is not the same as section 11 in my copy of the Bill. The section, as I understand it, makes the company refer the matter to the Railway Board, whereas the section which the minister has read makes them refer it to the Governor in Council.

Mr. GRAHAM: Section 11 in my copy refers to the amalgamation or agreement with a United States Company. Section 9 begins as follows:

The company shall not commence the said bridge or any work thereunto appertaining—

Mr. REID: My hon. friend has a copy of the original Bill, but the copy which I have is the reprinted Bill as it came from the Railway Committee, and section 11 in this Bill is the section that has been struck out.

Mr. NESBITT: It has been the custom for the last two or three years to refer these matters to the Board of Railway Commissioners.

Mr. REID: No, to the Governor in Council. The section which I have read compels the company to submit their plans for approval to the Governor in Council before they can commence work. That is the point I wish to cover.

Mr. GRAHAM: Perhaps the Chairman of the Railway Committee can tell us why the changes were made.

Mr. BLAIN: Section 11 of the Bill as it left the Railway Committee was struck out because an official of the department said that the section was covered by the Railway Act and therefore unnecessary. I think that is correct. I do not, however, wish to interfere with the minister if he desires the Bill to go back to the Railway Committee for reconsideration. The Bill was very generally discussed in the committee.

Mr. REID: I have given notice that I shall move to have section 11 re-inserted.

Progress reported.

Bill No. 28, respecting the Kettle Valley Railway Company, and Vancouver, Victoria and Eastern Railway and Navigation Company—Mr. Green—in Committee.

On section No. 1—extension of time for construction :

The CHAIRMAN: Section 1 has been amended at length, and I read the amendment to the committee at the last sitting. Is it the wish of the committee that I shall read it again to-day?

Mr. ROGERS: I think it would be well to have the amendment printed and distributed.

Mr. CHAIRMAN: It is printed.

Mr. ROGERS: It is not in the copies of the Bill that we have.

Progress reported.

Bill No. 26, respecting the Corporation of the City of Brantford—Mr. Cockshutt—in Committee.

Mr. GRAHAM: Was this Bill explained?

Mr. BLAIN: The sections were all carried, except section 3. On consideration, this Bill has been found to be correct. The law clerk of the committee went into the matter thoroughly, and finds the Bill to be in correct form. In my opinion it should pass.

Mr. GRAHAM: This seems a rather peculiar Bill. It seems to take the authority in a municipal matter into the hands of this Parliament. What is the real reason for having the Act passed in this form?

Mr. REID: As I understand it, the Grand Valley Railway Company was chartered by Act of this Parliament. The city of Brantford is taking over and operating this railway, which is the road running around the city of Brantford. The city is appointing a commission to operate the road. The authority of this Parliament is necessary for the transfer of the road from the Grand Valley Railway Company to this commission. The commission, of course, must operate the road upon the same conditions as those which governed the company. For instance, the company was obliged, under the Act, to pay municipal taxes to the several municipalities through which the road passes. When the Bill was before the committee these municipalities were protected by inserting a clause to oblige the commission to carry out these conditions. The hon. member will see that the only way in which the commission can get its title is by an Act of this Parliament.

Mr. GRAHAM: I understand that the company having been chartered by this Parliament, it would be necessary for this Parliament to give it power to perform acts not authorized by its charter. But whether this Parliament can give, or should assume to give, the city of Brantford power to do certain things is another matter. The corporation of the city of Brantford obtains its powers from the Ontario Legislature, and if those powers are to be altered one would think that the Ontario Legislature would be the proper authority to make the alteration.

Mr. REID: As I understand it, legislation has been passed by the Ontario Legislature under which the municipality may take over this railway. But, if no provision were made by this Parliament, it would be free from the obligation to pay taxes to the other municipalities through which the road passes. It seems clear that this Parliament is the only authority that can empower the Grand Valley Railway Company to transfer its road to the commission appointed by the city of Brantford.

Mr. NESBITT: I understood from the hon. member for Brantford (Mr. Cockshutt) that they had applied to the Provincial Legislature for the powers required from that authority. I do not think we have anything to do here with the by-laws of the city of Brantford.

Sir ROBERT BORDEN: I think the Bill was submitted to the Department of Justice, and the department gave the opinion that it was within the jurisdiction of this Parliament. It may be necessary to apply to the Legislature of Ontario also. As it is a railway subject to the jurisdiction of this Parliament, it would seem that the authority to own and operate it must come from this Parliament. In the case of a municipal corporation, it might be necessary also to obtain authority from the Provincial Legislature before legislation of this kind would be absolutely effective.

Mr. GRAHAM: I think an Act has been passed by the Ontario Legislature, giving the city of Brantford the necessary powers in this case. My contention was that as the city of Brantford gets its powers from the Ontario Legislature, we scarcely have the right to give it any authority. If this Bill means that the federal authority will accept the city of Brantford as owner and operator of a federal road, in place of the company incorporated by this Parliament, that would be reasonable enough. But if it proposes to confer powers upon the city of Brantford, that seems to be a matter for the Legislature of Ontario. In section 1 I find these words:

> The Corporation of the city of Brantford, hereinafter called "the Corporation", may own, equip, operate, alter, maintain and manage the railway of the Grand Valley Railway Company.

I think this wording is a little awkward. If it means that Parliament merely substitutes the words " city of Brantford " for " the Grand Valley Railway Company," I suppose the Bill is all right; but we have no right to give the city of Brantford any authority or to take any authority away from them.

Section agreed to.

Bill reported.

Bill No. 25, to incorporate the Western Canada Telephone Company—Mr. Green—in Committee.

On section 2—declaratory:

Mr. GRAHAM: Where is this telephone line?

Mr. REID: The whole of the line of this company is in British Columbia.

Mr. ROGERS: An amendment has been introduced providing that the company may not operate in any other provinces without the consent of those provinces.

Mr. NESBITT: When these amendments are reprinted, I suggest that they be distributed so that we may consider them in an intelligent way. This Bill was reprinted.

as were several others, but the original Bills are still on our files.

Mr. GRAHAM: Some of the western provinces have their own telephone companies. Was any question raised by the province of British Columbia as to its right to grant this charter?

Mr. ROGERS: That matter was taken up, and an amending section put in.

Mr. GRAHAM: I am afraid we do not know much about it.

Sir GEORGE FOSTER: I think we are all at sea, and wasting much time by not having these Bills printed.

Mr. GRAHAM: If a Bill of this kind were introduced with reference to Ontario, a protest would come from Ontario members that these franchises ought to be granted by the provincial authorities.

Mr. REID: This is the new section:

15a. Notwithstanding anything contained in this act, the Company shall not construct, operate, or maintain lines of telephones other than long distance lines in the city of Prince Rupert without having first obtained the consent of the municipality of the said city, or in the provinces of Alberta, Saskatchewan and Manitoba without first having obtained the consent of the Lieutenant Governor in Council of the provinces in which it is proposed to construct, operate and maintain a line of telephone as aforesaid; but this restriction shall not apply to the construction, operation or maintainance of long distance lines of the Company into or through the said city of Prince Rupert, or into or through any or all of the said provinces.

Mr. GRAHAM: That hardly meets the point I had in mind. What I ask is: has it been suggested on behalf of the province that this charter should be granted not by the Federal authorities, but by the provincial authorities? If it were definitely stated that it was the intention to run lines through other provinces, I should recognize the necessity of a federal charter; but in view of the fact that the operations of the company are evidently to be confined to the Province of British Columbia, I am surprised that some member from that province has not suggested that the charter should be dealt with by the provincial authorities.

Mr. REID: This is not a new company; it is an old, established company that has been doing business in British Columbia for some years. I think the company controls practically the whole telephone service in that province. It is getting a Federal charter because the company wishes to connect with the United States, and with the long distance services in Alberta and Saskatchewan.

Mr. OLIVER: I notice that the amendment provides for an extension of long distance lines through any of the prairie provinces. There may be no objection to that, but, having regard to the fact that the telephone lines in the three prairie provinces are practically under local government control, I think that the Bill should be reprinted with the amendment as agreed to in the Railway Committee, so that the Governments of these provinces may have an opportunity of seeing what the Bill says, and, what it does not say.

Mr. REID: There is no objection to that.

Mr. BLAIN: The Bill was reprinted and distributed among members of the House; subsequently these amendments were presented to and finally passed by the committee. It was suggested that the Bill be further re-printed, but the committee decided otherwise because it had been once re-printed for the consideration of the members. There is no objection to its being reprinted.

Mr. OLIVER: I would urge very strongly that the Bill be re-printed and that it be held in committee until the Governments of those three provinces have at least had an opportunity of expressing an opinion as to whether it would in any way interfere with the management of their provincial telephone systems.

Mr. REID: As the Bill now stands it does not in any way interfere with the provincial systems. It is not likely that any of the three prairie provinces would object to the construction of these lines right through their province without the company doing any businss in the province, in order to connect, say, with an Ontario line, or one in the United States. Perhaps the hon. member would wire to the Government of his province and ascertain whether there would be any objection. Every precaution is taken to protect the Provincial Governments' telephone systems.

Progress reported.

SECOND READING.

Bill No. 56 respecting certain patents of Stone, Limited.—Mr. Cockshutt.

QUESTIONS.

Questions answered orally are indicated by an asterisk.

POST OFFICE EMPLOYEES.

*Mr. LEMIEUX:

1. How many post office employees were actually on the pay-list, both permanent and temporary, on the 1st October, 1911, at the following offices: Montreal, Toronto, Quebec, Winnipeg, Vancouver, Victoria, Three Rivers, Sherbrooke, St. Johns, N.B., and Halifax?

2. How many new appointments, both permanent and temporary, have been made since 1st October, 1911, in each of the above named offices?

Mr. CASGRAIN:

1. Montreal, 737; Toronto, 657; Quebec, 119; Winnipeg, 273; Vancouver, 191; Victoria, 60; Three Rivers, 8; Sherbrooke, 20; St. John, 72; Halifax, 71.

2. Montreal, 1,865; Toronto, 2,427; Quebec, 252; Winnipeg, 473; Vancouver, 346; Victoria, 232; Three Rivers, 32; Sherbrooke, 55; St. John, 144; Halifax, 123; total, 5,949.

The 5,949 new appointments are accounted for as follows:

Men employed temporarily at Christmas season	2,948
Men employed for periods of less than two months to replace regular employees absent owing to illness	231
Men employed in place of employees who dropped out of the Service by death, resignation or superannuation between October, 1911, and January, 1916	693
Number dismissed	142
Number who retired after completion of time of temporary service allowed by the Civil Service Act	245
Substitutes for men absent on military duty	268
Additional permanent employees 1,353 Temporary employees 69	1,422

POST OFFICE SALARIES.

*Mr. LEMIEUX:

1. What was the total sum paid as salaries to the post office employees, both permanent and temporary, on the 1st October, 1911, at the following offices: Montreal, Toronto, Quebec, Winnipeg, Vancouver, Victoria, Three Rivers, Sherbrooke, St. John, N. B., and Halifax?

2. What was the total paid as salaries to the Post Office employees, both permanent and temporary, at the above named offices on the 1st February, 1916?

Mr. CASGRAIN:

	Amount of yearly salaries as on 1st October 1911.	Amount of yearly salaries as on 1st February 1916.
Montreal	$542,918 28	$1,118,964 00
Toronto	506,311 56	963,415 68
Quebec	91,186 20	236,244 48
Winnipeg	237,470 88	402,006 96
Vancouver	161,818 20	310,213 08
Victoria	55,618 32	116,507 88
Trois-Rivières	5,537 00	12,105 00
Sherbrooke	16,485 72	25,226 84
St. John	63,881 64	99,866 40
Halifax	64,453 08	79,904 28

POST OFFICE REVENUES.

*Mr. LEMIEUX:

1. What was the total revenue of the following Post Offices respectively, for the fiscal year 1910-11: Montreal, Toronto, Quebec, Winnipeg, Vancouver, Victoria, Three Rivers, Sherbrooke, St. Johns, N.B., and Halifax?

2. What is the total yearly revenue, respectively, of the above named offices for the fiscal year 1914-15?

Mr. CASGRAIN:

	1910-11	1914-15	1915-16 (11 months).
Montreal	$1,152,177 27	$1,590,395 44	$2,151,346 05
Toronto	1,963,065 28	2,905,391 54	3,458,937 46
Quebec	160,968 62	213,563 15	268,020 57
Winnipeg	836,931 15	1,376,433 65	1,751,956 66
Vancouver	348,780 88	455,338 56	519,567 26
Victoria	108,344 85	158,715 22	182,708 39
Three Rivers	14,225 49	20,150 75	28,370 78
Sherbrooke	35,214 58	44,639 58	62,496 34
St. John	119,607 43	148,316 51	195,624 04
Halifax	119,561 78	154,499 29	213,710 95

MOOSEJAW MILITARY CAMP.

Mr. THOMSON:

1. When was the military camp established at Moosejaw, Sask.?

2. Who are the physicians in charge of the said camp since its establishment?

3. How many men are in said camp?

4. How many enlisted soliders have died in said camp?

Mr. KEMP:

1. No military camp has been established at Moosejaw, Sask.

2. The following medical officers have been connected with the troops quartered and billeted in Moosejaw, Sask.: Capt. T. M. Leask, who transferred to 10th Field

Ambulance on February 1. Major R. Gibson, medical officer 128th overseas battalion. Capt. G. A. Gray, medical officer 128th overseas battalion. Lieut. W. Brown, has been examiner of recruits and medical boards. Lieut. C. F. Knight, has been examiner of recruits and medical boards. G. F. Seaburn, has been examiner of recruits and medical boards.

3. 1,539 officers, n.c.o's. and men quartered and billetted in Moosejaw on March 1, 1916.

4. Only one soldier has died in Moosejaw since mobilization.

REGINA ARMY SERVICE CORPS.

Mr. W. M. MARTIN:

1. From whom has the Government rented premises in the city of Regina, since the commencement of the war, for the accommodation of the Army Service Corps?
2. What monthly rental has been paid for such premises?
3. What do such premises consist of?

Mr. KEMP:

1. The Western School Company, Regina.

2. $100 per month, on recommendation of district officer commanding.

3. One storey corrugated iron building, 45 feet by 100 feet.

KITSILANO INDIAN RESERVE.

Mr. MACDONALD:

1. Has any arrangement been made between the Federal Government and the Government of British Columbia, by which the Federal Government is to pay the Provincial Government a greater amount than three hundred thousand dollars for the Kitsilano reserve, and to hand it over to the Harbour Board?
2. If so, when was the arrangement made?
3. What is the exact amount to be paid?

Mr. REID:

1. The Board of Harbour Commissioners of Vancouver applied for expropriation of the Kitsilano Indian reserve for harbour purposes, and the expropriation was allowed by the Royal Commission on Indian Affairs for the province of British Columbia. An arrangement has been made between the Dominion Government and the Government of British Columbia that the quantum of the reversionary interest of British Columbia, if any, in the amount received from the Board of Harbour Commissioners of Vancouver shall be paid to the province.

2. The arrangement was made in July, 1915.

3. The exact amount to be paid is not yet known; it will be decided by arbitrators.

[Mr. Kemp.]

LIEUT.-COL. TREMAIN, M.P.

Mr. PROULX:

1. When was H. B. Tremain, M.P., made a Lt.-Colonel?
2. What amount has he drawn for such services to date?
3. What amount has he drawn for expenses?

Mr. KEMP:

1. 3rd November, 1915.

2. Same rates as paid to all officers commanding overseas battalions, i.e., $922.25 from 3rd November, 1915, as officer commanding 112th battalion.

3. $150.

FISH FOR CANADIAN TROOPS.

Mr. SINCLAIR:

1. What description of fish is being purchased in Canada by Major Green for the Canadian Army Service Corps?
2. To what address can parties having fish to sell apply?
3. Have any contracts been made with parties in the Maritime provinces? If so, with whom?
4. Have the purchases, if any, been made on account of the Imperial or Canadian authorities?

Mr. KEMP:

1. A limited quantity of fish was purchased with a view to ascertaining whether or not Canadian fresh fish could be delivered in good condition to our troops in England. From Maritime Provinces: Smoked haddie, smoked fillets, fresh codfish, fresh soles, tinned haddie. From British Columbia: Fresh salmon, halibut, lake herring. From Manitoba: Fresh whitefish. Fish was purchased by the Department of Militia and Defence through the War Purchasing Commission. Major Green made no purchases, but his services were utilized to give expert advice.

2. No further supplies of fish are required at present. If the experimental shipment is a success, and it is decided to ship further quantities of Canadian fresh fish, those who desire to tender should apply either to the Department of Militia and Defence, or to the War Purchasing Commission.

3. No. A contract was made with the Maritime Fish Company, Limited, of Montreal, representing Maritime Province industries.

4. On account of the Canadian Government.

INTERCOLONIAL RAILWAY—RATES ON FOREST PRODUCTS.

Mr. MACDONALD:

1. What are the forest products for local consumption, short haul, on which the mileage tariff rate on the line of the Intercolonial rail-

way east of Lévis, was raised, as stated in the answer to question by the Acting Minister of Railways, on page 1505 of Hansard?

2. What was the date of those increases?

Mr. REID:

1. Fence posts and rails, laths, logs and bolts, lumber (common), pulpwood, ties.

2. November 15, 1915.

A. A. EVANS.

Mr. W. M. MARTIN:

What amount of money was paid by the Department of the Interior by way of expenses to A. A. Evans, of Outlook, Saskatchewan, for relief work performed in the month of October, 1914?

Mr. ROCHE: $58.

T. M. RICHARDS.

Mr. MICHAUD:

1. Was T. M. Richards, of Edmundston, N.B., appointed a recruiting officer in the county of Madawaska during the year 1915?

2. If so, how many days did he work?

3. How much did he receive for his services?

Mr. KEMP:

1. Mr. T. M. Richards, of Edmundston, supervised recruiting in Madawaska county, N.B.

2. He carried on this work for seventeen days, from August 20, 1915, to September 6, 1915.

3. Mr. Richards carried on the work of recruiting without remuneration.

COMMERCIAL AGENTS IN SOUTH AND CENTRAL AMERICA.

Mr. DELISLE:

1. How many commercial agents represent Canada in South and Central America?

2. What are their names and addresses, and the name of the country for which each of them has respectively been appointed?

3. Is it the intention of the Government to increase the number of the South and Central America countries covered by its commercial agents?

4. Is it the intention of the Government, in view of the new commercial situation created by the war, of which several nations are
4 p.m. already preparing to take advantage, to appoint commercial agents for the following countries: Argentine, Brazil, Nicaragua, Peru, Chili and Venezuela?

5. Are the Canadian commercial agents in South and Central America regularly reporting to the Government, and is it the intention of the Government to publish their reports for the information of the prospective Canadian importers and exporters?

Sir GEORGE FOSTER:

1. One Canadian trade commissioner. No commercial agents. Arrangements have been effected by which British commercial and consular officials act for Canada, receive and answer inquiries from Canadian business men, and report to the department on special subjects when so requested. The names and addresses of such consular and commercial officers are as follows:

Brazil: D. R. O'Sullivan-Beare, H.B.M. Consul General, Rio de Janeiro; Edward M. de Garston, H.B.M. Consul, Bahia.

Chile: Allan Maclean, H.B.M. Consul General, Valparaiso.

Colombia: Percy C. Wyndham, H.B.M. Consul General, Bogota.

Ecuador: Lucien J. Jerome, H.B.M., Consul General, Quito.

Panama: Percival Helyar, H.B.M. Vice-Consul, Panama; Harry O. Chalkley, H.B.M. Consul, Colon.

Peru: Henry Francis Hammond, H.B.M. Vice-Consul, Lima.

Uruguay: Harry C. Ricardo, H.B.M. Vice-Consul, Monte Video.

Venezuela: Thomas I. Rees, H.B.M. Vice-Consul, Caracas.

2. H. R. Poussette, Canadian Trade Commissioner, Reconquista No. 46, Buenos Aires, Argentine Rupublic.

3. Yes, as circumstances and conditions render it advisable to do so.

4. Answered by No. 3.

5. Yes. The reports have always been published in the Weekly Bulletin issued by the department.

POSTMASTERS AND MUNICIPAL ELECTIONS.

Mr. MARCIL:

Is there a rule in the Post Office Department forbidding postmasters from taking part in municipal elections as candidates, and from sitting as councillors and mayors?

Mr. CASGRAIN: An Order in Council was passed in 1893, prohibiting postmasters of incorporated towns from accepting appointment to representative positions as mayor, aldermen, or trustee of public or separate schools. It may be stated, however, that this Order in Council has only been strictly enforced as regards the larger cities. As regards the smaller incorporated towns and villages the department has not pressed the point, except where it was considered that the municipal duties might conflict or interfere with the duties of the postmaster.

NEW RICHMOND POST OFFICE.

Mr. MARCIL:

1. Is the post office at New Richmond West, Quebec, said to have been lately closed, to remain so closed, or is it to be re-opened?

2. Are rural mail boxes locked or do they remain open?

Mr. CASGRAIN:

1. The post office of New Richmond West, Quebec, was lately closed, following the

inauguration of rural mail delivery in that locality. Requests have been received that the closing of the post office be reconsidered, and the same are now under investigation.

2. Not locked, as it might impede the efficiency of the service, especially in winter. However, to insure the safety of mail matter deposited therein, a penalty is provided by law for depredations on rural mail boxes or their contents, and the department undertakes to protect the boxes as much as possible and to inquire minutely in all cases of such depredation reported to them.

MURCHIES CHANNEL PIERS.

Mr. MARCIL:

1. Has a petition been received from the smelt fishermen of Pointe à la Garde, Quebec, asking for the erection of piers in Murchies channel, of the Restigouche river, for the safety of the fishermen and the protection of property?

2. If so, was anything done in the matter, and what was done?

Mr. ROGERS:

1. Yes.

2. The district engineer reports that it would require six piers, costing $3,000, to hold the ice, but as the work is not in the interests of navigation, no action has been taken.

ST. ALPHONSE DE CAPLAN MAIL SERVICE.

Mr. MARCIL:

1. Has the Postmaster General received any request to improve the mail service at St. Alphonse de Caplan, Quebec?

2. If so, has any action been taken, and what is it? If not, why not?

Mr. CASGRAIN:

1. Application was made to change the base of supply from Caplan River to St. Charles de Caplan.

2. The post office inspector having reported that the change would make no difference in the efficiency of the service, and would, moreover, involve a considerable increase in the cost, it was not possible for the department to grant the request of the applicant.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. McKenzie.—For a return showing the names, dates of appointment, post office addresses at time of appointment, and former occupations of the censors employed by the Militia Department at Louisburg and North Sydney, Nova Scotia; the names of all the said censors who are also decoders, and the names and addresses of all who are employed in the censorship service at the above points; the amount paid to each censor or decoder since the 4th of August, 1914, up to the 1st February, 1916, or to any party or person in connection with the censorship or decoding services at the above places.

[Mr. Casgrain.]

Mr. Macdonald.—For a return showing a list of all Canadian officers employed in England, not attached to any particular unit, the amounts paid monthly to each, the nature of duties performed by each, and a copy of all correspondence in relation to their employment.

Mr. Macdonald.—For a copy of all letters, telegrams, petitions, memorials and other documents relating to the subsidizing by the Government of the construction of ships in British Columbia, or of ships when built; or as to the laying down or constructing or assisting in the construction in British Columbia of twenty-five ships by the Government, or as to assisting by subsidies or otherwise in the construction of ships in the Dominion.

Mr. Macdonald.—For a copy of all petitions, letters, papers, telegrams and other documents relating to the establishment of the Rural Mail Route No. 2, Scotsburn, county of Pictou, and as to the closing of post offices along said route.

Mr. Macdonald.—For a copy of the affidavit of David W. McLean, Windsor, N.S., to whom Warrant No. 25737 was issued for Fenian Raid Bounty, and also a copy of all correspondence and other documents relating to the payment of the same.

Mr. McKenzie.—For a copy of all the evidence taken by the commission appointed to inquire into claims for damages made against the Militia Department in the town of Sydney Mines, Nova Scotia and of the report made upon each claim or case, said claims being for damages to lands and other property.

Mr. Sinclair.—For a copy of all letters, petitions, recommendations and other documents in the possession of the Post Office Department relating to the appointment of the postmaster of West Roachdale, Guysboro county, Nova Scotia, to take the place of J. H. McGuire, deceased.

Mr. Macdonald.—For a copy of all instructions, letters, telegrams, and of other documents relating to any action taken, or to be taken, against the firm of Jas. W. Cumming by the Department of Railways on account of the disclosures made in regard to irregularities in the weighing of freight, as appears in Return No. 25, dated February 29, 1916.

Mr. Nesbitt.—For a return showing the names of all the medical examiners of recruits appointed since the war started to date.

Mr. Bureau.—For a copy of all correspondence, memoranda, reports, telegrams, recommendations, orders, etc., between the Department of Railways and Canals and the officers of the Ste. Maurice Fire Protective Association with reference to fire protection on the Transcontinental railway line between Hervey Junction and the Western Boundary of the province of Quebec.

SOLDIERS' PENSIONS.

Mr. E. M. MACDONALD (Pictou) moved for:

A copy of the pension list in force in Canada for disabled soldiers and of all petitions, letters or other documents relating to the amendment readjustment of the same.

He said: Mr. Speaker, I am moving this motion for the purpose of urging upon the Government the desirability of making some changes in the pension list which was brought down at the last session of Parlia-

ment. Hon. gentlemen will recall that the pension list at present in force for disabled soldiers was fixed by the terms of an Order in Council which was laid on the table of the House some two or three weeks before prorogation last year. These provisions went into effect without the subject having been referred to a committee of this House, or without it having come before the House for consideration in any formal way.

There are certain anomalies in connection with this pension list which have attracted attention throughout the country. I suppose that hon. gentlemen, including members of the Government, have received a copy of a pamphlet which a committee of the Toronto Board of Trade has prepared dealing with this subject and which points out anomalies and makes recommendations which have been adopted and approved by the Toronto Board of Trade. I think hon. gentlemen will agree that one of our essential duties in connection with the war is the establishment of a fair pension list. A careful examination of the present arrangement reveals a number of anomalies which require remedying. In the first place, I think that the four distinctions or degrees contained in the present pension list are anomalous. The first degree is applicable to those who are rendered totally incapable of earning a livelihood by reason of wounds contracted in action, or in the presence of the enemy. The second degree is applicable to those who are totally incapable of earning a livelihood on account of injuries received on active service, in drill, or training, or who are rendered materially incapable as a result of wounds or injuries received, or illness contracted, in action, or in the presence of the enemy. I do not think there is any real reason why we should distinguish between these men who have been so unfortunate as to be rendered totally incapable. If a man volunteers in good faith to serve his country, and receives wounds which render him absolutely incapable, it does not matter to him in after life whether he received those wounds in the presence of the enemy or in training at home, and it ought not to make any difference in his pension. Only the other day there was a case in Toronto of an officer being rendered totally incapable for life as the result of an accident while teaching his men how to throw bombs. That man is entitled to just as much consideration as if he had received his wounds in the presence of the enemy, and I submit that we should make no distinction at all between men who are rendered totally incapable on active service and those who are rendered totally incapable by reason of injuries sustained on service in Canada.

It is also pointed out in this pamphlet that the present pension allowed to the men of the rank and file is too low, and a little later on I shall draw attention to the distinction that is made between the rank and file and the officers. The difference is in my opinion entirely too great. The pamphlet points out that while there is a difference in the pension allowed to privates and officers in Australia, the difference is not nearly so great as it is in Canada. We all know that in the Canadian expeditionary forces there are men in the rank and file of just as good social position, and just as intelligent, as are the officers. While I concede that we must make some distinction between a private and an officer, I submit that the difference in pension allowed under the present arrangement is entirely too great, and that the pensions to these two classes ought to be brought closer together, as in Australia.

Sir ROBERT BORDEN: They have been brought closer together in Australia by a reduction in the higher ranks, have they not?

Mr. MACDONALD: I am unable to say at present, but I know the difference is not nearly so great as in Canada. Not only is there a great difference between the pension allowed to the private and the pension allowed to the officer in Canada, but I submit that the pension allowed the private is entirely too small. A man who loses both legs, or both arms, or the sight of both eyes, or is paralysed—a man who is rendered incapable from any of those causes is allowed a pension of only $22 a month, subject, however, to the condition that the authorities have the right to grant him an additional $7.33 a month to provide for a constant attendant. A man in that class would receive, then, a pension of only $29.33 a month or $351.96 a year. That is the pension paid to the first degree pensioner who receives his accident in active service and in the face of the enemy. The second degree pensioner, who may have received just as extensive injuries, receives only $21.33 a month, plus an allowance of $5.33 for a constant attendant, which it is assumed he would have on account of his inability to do anything for himself. Again, the distinction made between single and married men is one that

is deserving of the attention of the House. All that a single private can get by way of a pension under the conditions I have mentioned is $29.33 per month; whereas it is possible for a married man to receive for himself and his wife $40.33. The question is, is it sound policy to make so great a distinction between the single and married man? A single man who has lost his arm or his leg and become absolutely incapable, may have lost both parents, and have nobody to look after him, and all he gets is a pension of $29.33 a month. But what is he going to do with that, when he has no kith or kin in the wide world to interest themselves in him? On the other hand, the married man, who gets a pension which with his wife's allowance amounts to $40.33, would have his wife to take care of him. The single man who has no one to look after him gets $11 less a month than does the man who has a wife.

Take the case of a married man with three children; if he comes under the first degree of pensions he will receive $55.33 per month or $663.96 per year. If his wife dies, leaving him with three small children, he loses the allowance given to her, and thus, although he is absolutely incapable of doing work, his pension is reduced, whereas under such conditions he should be entitled to an additional allowance. This, of course, may be one of the anomalies likely to arise out of the working of any pension system, but the House will readily see that such a condition ought to be remedied.

If a married man comes under the second degree of pensions, he will receive for himself, his wife and three children, only $47.33 or $567.96 a year. The Minister of Labour, in his report on the cost of living, estimates that $61.33 a month is the minimum amount necessary for such a family to procure the necessities of life, so that the allowances under these two degrees of pensions are away below the minimum amount estimated by the Minister of Labour.

There is another anomaly that may arise. While a soldier is at the front, it is possible for his wife to get payments of $45 a month from the various sources recognized by the Militia Department. Whereas on his return, and with the additional burden imposed upon her as a result of his incapacity, the amount which she receives may be as low as $32.33 or as high as $40.33, according to the degree in which the pension scheme places him. It is suggested by those who have studied the matter that the minimum amount which a soldier should receive as pension, where total incapacity exists and all possibility of being able to earn a living under ordinary conditions is taken away, should be as much as he received while serving in the ranks, which is $33 a month. I think that is a very fair suggestion. In the discussion which took place a few days ago in Toronto before the board of trade, the recommendation made by Archdeacon Cody and Mr. Darling, who had especially to deal with the report of the committee, was that the minimum amount to be paid to the incapacitated soldier on his return should be $12.50 a week or $50 a month. That, however, would be a matter for consideration when the pension list is revised, and I think the necessity for a revision of the list is apparent in the light of the facts which I have submitted.

I have mentioned the fact that there is a disparity between the pension allowed to a private and that allowed to an officer. The highest amount that a private can draw under this pension list is $484 a year, whereas the highest that a colonel can draw is $2,370 a year. From the information which I have at hand, a colonel in Australia under their pension law receives only two and three-quarters times as much as does a private soldier, whereas in Canada a colonel receives five and one-half times as much. Considering the democracy of this country, and the class of men who are serving in the ranks, and as officers, no such disparity exists in their position as would warrant the man who happens to be a colonel—and we have many colonels in this country—receiving five and one-half times as much pension as the sturdy fellow who has fought in the ranks.

The minimum amount paid to a private in Australia is 69 cents a day or about $21 a month. Under the English pension law, there is no distinction between married and unmarried men, and the minimum amount paid there is $26.32 a month, there being an allowance for the first child of one dollar extra, for the second child 65 cents extra, and for the third child, 45 cents extra. Under the American system $100 per month is allowed in these classes for totally disabled men. In a report of the discussion which took place at Toronto I find the following :

Mr. Darling said that the amount paid in Canada was considerably lower than elsewhere. He quoted the following figures: United States,

$3.28 a day; England, 87 cents a day; Australia, 69 cents a day; and Canada, single men, lowest $16 a month; highest $29.33 a month; married men, lowest $27 a month; highest $40.33.

That statement by Mr. Darling puts the comparison between the different countries in a very compact form. I would also like to urge upon the Government the desirability of having the whole question of pensions dealt with by a permanent pensions board. We have 270,000 men under training, and the moment that any one of them, after enlisting for overseas service, is injured, whether at home or abroad, he comes under this pension law and is entitled to compensation under one of the various classes set forth in the provisions of this Order in Council. A very large percentage of those men will have to be pensioners of the Government, and, as the situation is so well put in the memorandum prepared by Mr. Darling:

All matters pertaining to pensions should be decided by a permanent Pension Board, the appointments to the board being kept free from political party control, and so regulated that a definite form of continuous policy shall be followed. Only by such means can the efficiency of the organization and economy in its working be secured and maintained.

There ought to be such an organization to deal with this question as that the pensioner would know that he had an absolute, certain and definite right to his allowance, that he would find that his pension was paid to him as a right and not as a favour, and that that right was unassailable.

If the right of these men to receive pensions is by any possibility to be made to depend upon the influence of party or political friends, one can hardly conceive of more unfortunate conditions as existing for any country. Without elaborating the suggestion, which seems to me so apparent that one does not need to argue it, I leave it with the hope that in making permanent arrangements the necessity of acting along the line I have suggested will be kept in view.

Last session, there was no discussion upon this question, though the Prime Minister frankly invited discussion when the pension provisions were laid on the Table. But sufficient information was not then in the possession of hon. members generally, and consequently it was not possible to give the attention to the matter which it required.

In the intervening months much attention has been given to the subject by the people generally. I trust the Government will take into consideration the suggestions I have made, with a view to rectifying the anomalies that exist. When one thinks of the tremendous efforts in beneficence put forth by patriotic citizens, in connection with the war, it is not to be wondered at that it is only within the last few months that close attention has been directed to the necessity of having a clear and equitable pension law. But, now that attention is directed to it, I hope the Government will be able to work out an effective plan.

I desire to call the attention of the right hon. the Prime Minister to correspondence which I have received respecting action which the Government may take in assisting what are called Soldiers' Homes, which it is proposed to establish in different parts of Canada. There ought to be a definite policy announced on behalf of the Government for dealing with matters of this kind. I am aware that fear has been expressed that the energy of many good people may be misdirected, and I do not know whether the plans for the establishment of soldiers' homes meet with the full approbation of the Government, or whether it is in the line of their policy that federal assistance should be given to homes of that kind.

Sir ROBERT BORDEN: Are these homes established by or in connection with the associations in the several provinces acting with the Military Hospitals and Convalescent Homes Commission?

Mr. MACDONALD: I am not referring to convalescent homes. I understand that convalescent homes have been established by philanthropic people at different points, simply for the purpose of looking after the soldier, in the period of his convalescence, and before his future course is finally determined. But I am advised that in Winnipeg, for instance, an organization has been perfected, and a charter obtained from the Provincial Government, to incorporate a number of very worthy gentlemen as a body corporate under the title of the Manitoba Soldiers' Homes, for the purpose of acquiring and operating homes for soldiers throughout Manitoba, with a view to providing residence for returned and disabled soldiers, either members of the British army or members of the Allied armies, and this body has received powers which would naturally be given to such a corporation for the purpose of operating soldiers' homes such as exist in many parts of the United States, where men who have engaged in war and are totally disabled are cared for in old age. This, of course, is a phase of the whole question of what we are to do with the soldiers who return.

Another suggestion has been brought to my attention, the working out of which, perhaps, may be difficult so far as company railways are concerned, but which might be applied to the Government railways. The suggestion is that men enlisted for overseas service be granted, when leave is given them to visit their homes, a rate of one cent a mile on the Government railways. Of course, it would be a matter of certificates on the part of the officer granting the leave. It is suggested, also, that where soldiers are travelling on the Government railway, going to or from their homes for recruiting purposes, or to visit their families before going overseas, they should be given concessions upon the dining-cars of the Government railways. It certainly seems anomalous that we should coax and plead with the young fellow in the country town to go and fight for his country, and then when he consents, take him to a camp a hundred or two hundred miles away from his home; and, that when he wishes to return to his home to visit his mother or his relatives under leave of his commanding officer, the Government railway should demand from him the last cent by way of fare. The Minister of Railways announced a very handsome surplus the other night. Here is a matter which would mean a great deal to the boys who have enlisted, and who wish to return to their homes. Some consideration should be shown them by the Government railways. This, of course, is aside from the main subject I desire to deal with in the resolution.

I bring these suggestions in regard to the pension law to the attention of the Government, feeling that the desire of us all would be to deal in an absolutely fair and equitable way with the unfortunate soldiers who return wounded. I trust the suggestions I have made will meet with favourable consideration by the Government, and that the anomalies which I think exist will be removed, and the whole pension system be placed upon a permanent basis by the establishment of a non-partisan pension board.

Hon. FRANK OLIVER: I will not go over the ground so well traversed by my hon. friend from Pictou (Mr. Macdonald). As to the general question of the scale of pensions, it will be generally agreed, I think, after reading the careful memorandum prepared by the Committee of Citizens in Toronto, that the scale provided last summer needs revision. No doubt it will receive it. A general revision upward, as well as a general equalization according to the suggestions made by the committee, will, I feel assured, receive adequate support in the House.

The matter of dealing with the pensions through a pensions board should, I think, receive the immediate attention of the Government. This question of pensions is one of such tremendous importance to the individual affected, and to the country at large, that it cannot be placed upon a permanent foundation, and cannot be put into fully accredited and non-partisan hands too soon to meet the needs of the case or the views of the people. If I were to offer any criticism, it would be that we have hardly appreciated how deeply we are engaged in this war and how terrible are the effects of it that have already been felt. I read that our losses up to the present time have been 20,000 men in killed, wounded and missing. That means the provisions of the pension law are in urgent demand at the moment, not only for the well-being of those who have suffered, but for the purpose of assuring those whom we are calling upon to offer themselves in our service, and their relatives and friends as well, that the country is absolutely behind them and will see that, whatever happens to them, they will be cared for, so far as the country can care for them, along certain well recognized and approved lines, and by means that will leave no room for question. It seems to me that we have been slow in appreciating how urgent this matter is, how far-reaching it is, and how tremendous the interests are that depend upon it being adequately and promptly handled.

I wish to allude in particular to two features of the care of returned soldiers. Some time ago I asked for certain Orders in Council which were brought down, and which I have before me. One is dated December 25, 1915, and makes provision for a gratuity of $100 in case of the discharge of a soldier only slightly disabled. I can quite appreciate that there are conditions under which such a payment would be proper and adequate. But I wish to point out that, having regard to the memorandum attached to the Order in Council, this provision gives to a board which is not endowed with the fullest responsibility, and which, perhaps, has not the fullest knowledge of the facts, an opportunity to do less than justice to the discharged soldier. I do not like the wording of the

memorandum of information upon which the Order in Council is based. The suggestion, as it appears to me, is that this provision offers a ready means of getting rid of a troublesome man and a troublesome question. I may be wrong in putting that interpretation upon this memorandum.

Sir ROBERT BORDEN: What is the language?

Mr. OLIVER: The memorandum is very long, and it would be necessary to read the whole of it in order to get the idea. I may be giving an improper interpretation of it; I hope I am. At any rate, I want to emphasize the point that to give the discharged soldier a gratuity of $100, unless it is with a thorough appreciation of the case, is not properly to discharge the country's obligation to him. If he were permanently disabled, he would be entitled to permanent consideration; the payment of a simple gratuity would not be a fair and proper consideration to give him.

Sir GEORGE FOSTER: That gratuity does not settle his case permanently.

Mr. OLIVER: Unfortunately, as I understand the memorandum, it does. The President of Pensions and Claims Board, in recommending this matter to the Government, uses these words:

> We feel, however, that if this man once gets his name on the pension list, it will be very difficult to cease paying him a pension of a small amount, and therefore we feel that if we had the power to grant a man a gratuity in lieu of the pension, and if the Treasury Board would waive its rights in the case of the gratuity only, to say whether it would confirm our recommendation, we would be in a position to close the matter up without delay, whereas, under the present regulation, if we had the power to grant a gratuity, the whole matter has to be left open until a reply comes back from Ottawa.

The intention evidently is to close the man out with $100 for the convenience of the present Pensions Board. If I have misinterpreted the memorandum I will be glad, but that is the impression it conveys to my mind, and I take the liberty of drawing the attention of the Government to it, and of voicing my views that that is not a proper attitude of mind in which to approach this question.

The next point that I wish to draw attention to is an Order in Council, dated December 16, 1915, making provision for men who have become insane in active service. I had occasion to mention this matter once before in the House, and I take the liberty of referring to it again, because it seems to me that the intent of this Order in Council jars upon the sensibilities of the people at large. In this war, carried on with weapons such as are now used, it frequently occurs that men come out of the fight with their minds shattered, although physically they have not suffered injury. These men were physically perfect before they went in, and presumably they were mentally perfect as well. They have suffered such shock to their nervous system as has unbalanced their minds. It is a reasonable probability that such men, given favourable conditions, would make complete recovery of their reason and again become useful citizens, each one an asset to the state, and a benefit to himself and to his relatives. It was with a feeling which jarred upon my mind that I read in the newspapers that men in such cases were being committed to the ordinary asylums for treatment and consideration. I find that provision is made, under an Order in Council of December 16, for committment of such men to lunatic asylums. I wish to urge upon the Government as strongly as I can that this is not proper treatment to give to men in such circumstances. Their condition demands certain treatment, and the best that the country can find for them, in the hope of recovering their intellects for the benefit of the country and the advantage of their relatives. I hope that special provision will be made, that institutions will be organized immediately, if they have not been organized already, for the special care of such cases as these. These men, in the perfection of physical health, have had their intellects unbalanced by reason of physical shock, and it is not unreasonable to hope that with proper care and treatment they may recover their intellects. I assure the Government that the public look, may I say, with horror, upon the fact that a young man who has volunteered as a soldier and who has suffered in this way is committed to an ordinary insane asylum where the surroundings naturally tend to militate against his ultimate recovery. In any case there is a certain amount of sentiment in these things, as there ought to be, and we can surely better afford to spend a reasonable sum of money in making special provision for this new class of cases that has arisen in this war, than to be considered guilty of an insufficient regard for the sacrifices these men have made or the possibility of their recovering from the result of these sacrifices.

Sir ROBERT BORDEN (Prime Minister): The subject of pensions has been under the consideration of the Government for

some time past, and probably it would have been taken up at an earlier date had it not been that I thought it desirable,—as this motion has been standing for some time upon the Order Paper,—that we should hear the views of hon. gentlemen before the Government took any definite or final action on the whole subject. My hon. friend from Pictou (Mr. Macdonald) has brought the subject up in a very considerate and reasonable way. It is perfectly true that before the Order in Council which establishes the present scale of pensions was passed, we placed a draft of it upon the table of the House last session, and I requested an expression of the views of hon. members, in order that the Government might take it into consideration before the subject was dealt with by passing the Order in Council. Not a great of attention was given to it during the session, and perhaps it might have been better if the draft Order in Council had been printed and circulated among the members, in order that the subject would thus more fully engage their attention. I shall have these papers brought down at once; I have been gathering them together. Then if opportunity for further debating the matter is desired, the Government will be very glad to afford that opportunity, because the papers as brought down will embrace some suggestions and reports which have not yet been made public. Among these there is a report, in the form of a letter to the Minister of Militia, from the chairman of the Pensions and Claims Board, Canadian Expeditionary Force, of which Sir Montague Allan is the chairman.

It is perfectly true that the scale which was submitted to the House last session, and which was authorized by Order in Council, does not proceed precisely upon the lines of the Australian pension list, but it follows that list very closely, except in one respect, to which I shall allude later. For totally disabled soldiers who have become incapacitated in active service, the scale for an unmarried soldier in Canada is $264; in Australia, $253; and in Great Britain, $316. The scale in Canada is slightly higher than that of Australia, and is about $50 lower than that of Great Britain. For a married soldier and wife, without children, the scale in Canada is $396; in Australia, $380; and in Great Britain, $316. The British scale makes no allowance for the fact that a man has a wife dependent upon him. For a soldier with a wife and one child, the scale in Canada is $456; in Australia, $443; and in Great Britain, $348. There is an allowance made in Great Britain of $32 for the support of a child, but no allowance is made for the support of the wife. For a soldier totally incapacitated who has a wife and two children dependent upon him, the scale in Canada is $516; in Australia, $506; and in Great Britain, $380. That is to say, the scale in Canada is $10 more than in Australia, and $136 more than in Great Britain.

For a soldier, totally incapacitated, with a wife and three children dependent upon him, the scale in Canada is $576; in Australia $569, and in Great Britain $412. The Canadian scale, in this respect, is slightly higher than that in Australia, and $164 a year higher than that provided in Great Britain. For a soldier with a wife and four children dependent upon him, the scale in Canada is $637; in Australia $633, and in Great Britain $444; the Canadian scale being slightly higher than that of Australia, and nearly $200 greater than that of Great Britain. So it runs all through, except that, in Great Britain, and Australia, there is a difference in scale for the higher ranks.

My hon. friend from Pictou (Mr. Macdonald) has alluded to the fact that there is less difference in Australia than there is in Canada between the rates fixed for privates and officers. That is true, but it does not arise by reason of the rates for the private soldier being lower in Canada, but by reason of the rates for officers in Canada being higher than in Australia. On the other hand, the pension rates for officers in Great Britain are on a considerably higher scale than they are in Canada, and on a very much higher scale than they are in Australia. For example, an unmarried lieutenant colonel in Canada, who has become totally incapacitated receives $1,200 as a pension; in Australia he receives $638, and in Great Britain $3,000. A major, totally incapacitated, receives in Canada, if he is an unmarried man, $960; in Australia $565, and in Great Britain $2,000. A captain who is unmarried, and becomes totally incapacitated on active service, receives in Canada a pension of $720; in Australia $492, and in Great Britain $1,000. For a lieutenant, totally incapacitated, and unmarried, Canada provides $482; Australia $443, and Great Britain $700. A warrant officer, unmarried, and totally incapacitated receives in Canada $480; in Australia $377, and in Great Britain $506. For a sergeant totally incapacitated, and having no wife, Canada provides $336; Australia $340, and Great Britain $366.

My hon. friend from Pictou also adverted to the very considerable disparity between the provision made for single men and that for married men in this country, and he pointed out, I think with some force, that a married man who has a wife and three children, and who has become totally incapacitated, would, upon the death of his wife, receive a smaller pension than when his wife was living, although it might be very much more difficult in that case for him to take care of his children and to support the family than it was before. I think that that ought to be taken into consideration. Of course, unless the wife undertakes some work for the purpose of assisting in the support of her family, it is necessary to make provision for her maintenance. The wife, as well as the children, must be provided for in some way, and in fixing the pension scale, as we have established it in Canada, we proceeded very much along the lines which have been followed in Australia. We adhered much more closely to what has been done in Australia, than to what has been done in Great Britain, because it seemed to us that the conditions of this country were in that respect more similar to those of Australia than to those of Great Britain. Therefore, we thought we would be safer to follow the Australian than the British precedent.

5 p.m.

It is said, I believe, in the report of the committee, of which Mr. Darling is chairman, that the Canadian rates for totally incapacitated single men are lower than elsewhere. That is not strictly accurate, when baldly stated in that way. I have already read the rates fixed in this country, in Australia, and in Great Britain. The rates in Canada for married men are larger than they are in Australia, and considerably larger than they are in Great Britain. It is true that for unmarried men, totally incapacitated, the rate in Canada is lower than in Great Britain, but it is not lower than the rate in Australia.

My hon. friend alluded to the necessity of a pensions board. It might be just as well that I should explain to the House how the Pensions Board was established, and who composes it. The present Pensions and Claims Board was authorized by a Militia Order, as were the several similar boards which preceded it, and it is now acting in virtue of Militia Order No. 366 of 2nd August, 1915, which reads:

The Pensions and Claims Board is reconstituted as follows: President—Col. J. S. Dunbar, Assistant Adjutant-General, Militia Headquarters; members,—Lt. Col. C. W. Belton Permanent Army Medical Corps, and Honorary Lt. Col. C. L. Panet, secretary of the Department of Militia and Defence.

Lt.-Col. Belton is a medical officer who is attached to the board in that capacity, and he has been for a number of years in the permanent corps. After being passed upon by the board, the pension claims come in the form of a recommendation to the Governor in Council, and are taken into consideration by the Treasury Board in the first instance. The Governor in Council, under the provisions of the Order in Council which was passed last year, has the power to consider individual cases, but these individual cases are only considered upon a report first made by the Pensions Board. The section of the Order in Council to which I allude is:

597. Individual cases, for which the regulations do not provide or sufficiently provide, may be specially considered by the Governor in Council.

The procedure is, to have all such claims submitted, in the first instance, to the Pensions Board, and to have the report of the Pensions Board thereon come before the Treasury Board. The Treasury Board may ask for such further information as it may desire, and may refer the case back for further consideration to the Pensions Board. In the end the recommendation of the Pensions Board, as adopted by the Treasury Board, comes to the Governor in Council and is passed in that way. The very fact that the Treasury Board had several cases of that kind early last autumn, seemed to impose upon it duties of so onerous a character, and to consume so large a portion of its time, that the question was mooted as to the establishment of a permanent Pensions Board, which would receive a report from the Departmental Pensions Board, and upon whose report the Governor in Council would be authorized to act. Some inquiry into the desirability of that method of procedure was made, and a document which will be brought down amongst the other papers was submitted to the Government; but as the session came on shortly afterwards, and as it was not only desirable but apparent that the subject would be debated in this House, no action has been taken up to the present time.

As to securing a method by which political influence of any kind, or pressure of an undesirable character might have no scope or effect, I am entirely at one with my hon. friend from Pictou, and I think that it is eminently important. I do not

think that anything of the kind has taken place under the board at present constituted. No minister of the Crown or member of Parliament, so far as I am aware, has interferred in these matters in any way whatever. If anything of the kind has taken place it has not come to my knowledge. I am informed that Lieut.-Colonel Dunbar, who has been for a very considerable time in the permanent service, is a gentleman with legal training in the first instance, and that he is capable of discharging, and does discharge, the duties of Chairman of that Board very efficiently and very impartially. One of the other two members is a medical officer who has been for some time in the permanent service, and the other is Honorary Lieut.-Colonel Panet, who has also been a considerable time in the permanent service.

I endeavoured to get information as to the precise methods by which pensions are dealt with in the United Kingdom, but it was apparent to me that the various bodies which there deal with this subject had not been thoroughly co-ordinated up to that time, and that perhaps we could not derive benefit from any example which they could give us. A desirable thing, if we could accomplish it, would probably be to have a pensions board to deal not only with military pensions, but with naval pensions, and to have it established under the conditions outlined by my hon. friend from Pictou.

With respect to soldiers' homes, I really have not had that matter brought very much to my personal attention. My knowledge of what is being done in this country, and indeed on the other side of the ocean, is almost wholly confined to the so-called convalescent homes. I do know, however, that the Military Hospitals and Convalescent Homes Commission have been making a pretty thorough study of conditions in Canada and in the United Kingdom, and I was informed a few days ago that Mr. W. M. Dobell, of Quebec, who has been making a study of this subject in the United Kingdom and also in France, had embodied certain views in a report that he had submitted to his colleagues of the Military Hospital and Convalescent Homes Commission, and that these views were now under consideration by that commission. On the whole, I gathered the impression that Mr. Dobell was of the opinion that too much had been done in the way of convalescent homes along certain lines; that perhaps some improvement might be made not only here but elsewhere, and that the view he expressed in the report was entirely in consonance with the view taken by the military authorities of Great Britain and of France. However, it is rather premature to speak of that.

My hon. friend from Pictou also spoke about the desirability of making special rates for soldiers who are enlisted in the overseas forces, and who might from time to time desire to visit their families. I should be very glad to commend that suggestion to the Minister of Railways and to see whether it cannot be carried out.

My hon. friend from Edmonton (Mr. Oliver) spoke of an Order in Council, which had not come to my attention until recently. I think it was passed when I was unwell. I am not aware of its exact phraseology, but it hardly seems to me that it would bear the construction which he puts upon it. I observe that the concluding paragraph of the report on which that Order in Council is based is expressed in these words:

> We have a very good precedent before us, as the Imperial Service grants such gratuities.

It is, I think, the practice of the Pensions Board here to recommend a gratuity in addition to the pensions, in occasional cases of destitution or urgent need. In any case, if I understand the military regulations—I am always a little apprehensive about expressing an opinion with regard to them—the acceptance by any man of a gratuity would not debar him of the right to have a board called subsequently to consider his case, if it was apparent that his injury or disablement was greater than had been thought at first. I believe it is competent to any man to have a board called at any time for that purpose, and I think that a board can also be called at any time to have it established that a man to whom a pension has been granted has recovered his health, and that the pension to which he was entitled during the period of his disablement should no longer be continued.

With regard to the whole question, I entirely agree with the view that we must give reasonable and even generous consideration to the claims of those who have gone to fight the battles of the Empire in this war, and who have shown their willingness to make the supreme sacrifice; reasonable and generous consideration to the dependents of those who have gone to the front and made that sacrifice, in

order that this Empire, the ideals which it represents, and the institutions we enjoy, may be preserved for us and for future generations.

The report from the Pensions and Claims Board in Great Britain suggests a more elaborate scheme of analysis of the degrees of disablement. I think they divided them into six degrees by percentages: a man totally disabled would be classed 100 per cent; then they endeavoured to estimate those who have been disabled to the extent of 80 per cent, 60 per cent, 40 per cent, 20 per cent, and under 20 per cent. Then they lay down this principle:

> All pensions to members of the Canadian Militia disabled on active service should be awarded in direct proportion to the impairment of capacity for earning a livelihood in the general market for untrained labour.

The note which they attach to that is this:

> Men enlisting for active service in the Canadian militia as privates bring to the service of the country a healthy body. The previous occupation of the recruit is not recognized as having any reference to the service which the soldier could give the State, unless it secures for him a higher rank than that of private, in which case the return made to him by the State in pay and pension is proportionately increased. The private soldier then is looked upon as offering merely a healthy mind and body to the public service. For practical purposes the market for healthy bodies is said to be the "general market for untrained labour."

It is to be noted that the amount of pension depends upon the impairment of capacity for earning a livelihood without reference to the former occupation and income of the soldier. That view will form part of the return to be brought down for the consideration of hon. gentlemen opposite.

There would be the case of men who, while incapacitated for performing the duties which they had hitherto performed in the community in which they live, might become capable, through vocational training, of performing other duties so that they could, at least in part, earn their livelihood. One of the duties which the Government ought to undertake in connection with any pension scheme is to make it possible, so far as we reasonably can, for men who have been disabled from taking part in any occupation in which they had been previously engaged, to take up some other occupation by which they may assist in earning their own livelihood. It is not in the interest of any citizen, who has served in the overseas forces and who is still capable of filling an active and useful part in the national life, to be placed in such a situation as to have no incentive whatever to do that work for which he may be fitted either through his own efforts alone or with assistance from the state. I have been impressed all along with the importance, in connection with this whole question, of doing the utmost that we can, by investigating methods on the other side of the ocean and by thinking out methods for ourselves, to evolve a system by which all those who are not absolutely incapacitated but who are incapacitated to such an extent as to make it impossible for them to earn their livelihood in the way in which they formerly earned it, should be afforded the opportunity I have indicated. I believe that a certain committee of the Military Hospitals and Convalescent Homes Commission is studying that question very carefully, and that committee will probably be able, in the early future, to make some recommendations to the Government. I entirely agree that any appropriation that might be necessary for the carrying out of a scheme of that kind in a reasonable and effective way, would be money well spent by this country, first, in making the men to whom such an opportunity would be afforded, better citizens than they otherwise would be, and secondly, in the contribution which it would make to the general welfare and development of the country by increasing that much the earning capacity of the whole nation.

I shall be glad, as I have said before, after these papers are brought down, as they will be without a moment's delay, to move at once that they be printed for the information of hon. gentlemen, and after that is done, if my hon. friend from Pictou (Mr. Macdonald) or any other gentleman should desire to have further debate, we would welcome it. Indeed, if a debate were not started otherwise, I think we should initiate it ourselves in order that the views of hon. gentlemen, which certainly must be of some assistance to the Government, might be elicited, and the Government be thus placed in a better position to deal with the whole subject.

Mr. E. W. NESBITT: (North Oxford) I am very glad to hear the Premier say that he believes in vocational training, and I am sorry he was not here the other day when that question was under discussion. It was argued that these men be assisted by the Government educating them in such trades or callings as they might be fitted for, so that they would do something at least towards earning their own livelihood. I am also pleased that the

Premier will afford an opportunity for further discussion of this subject. I do not think I am giving away any secret of the Hospitals Commission when I say that Mr. Dobell told me that, in France, 80 per cent of these classed as totally disabled were, through vocational schools, being taught at least partly to earn their living. His statement only corroborates what I thought myself and what I had read in regard to those schools in France. I have been studying the question very carefully, and I am glad that the Premier endorses my views and that the Government will do everything possible to assist in the establishment of schools of that character.

In reference to the pension scheme, I think the pension for the unmarried man who is totally disabled is slightly too low, and I would suggest raising it to a dollar a day, or $30 a month, and allotting the other pensions in proportion. I think the differences in the pension list are fairly well arranged. After the Premier has the information which he says he will bring down, it would be a good thing to appoint a small committee of members from both sides to study the question carefully and to report to the House, because the question is very important and means the expenditure of a great deal of money. I am sure the Government appreciates the fact that the question is of great importance and one that should not enter into politics at all.

I would also like to make a recommendation to the Government as to the personnel of the Pension Board. I do not say that the gentlemen now acting are not absolutely non-political; I do not know anything about them. But, no matter who the Pension Board may be, in my judgment the matter must be taken out of politics, for there is no telling how far the evil might extend otherwise. I am not speaking from a partisan standpoint; I am not suggesting anything against this Government or any government. I can quite believe that both parties, perhaps, would be equally guilty of using the pension vote, if it were in any way associated with politics. Therefore it is that I say pensions should be taken out of politics absolutely. The Pension Commission should be appointed in such a way as to make them as independent as the members of the Railway Commission. And my suggestion is that, after the Prime Minister has given us all the information in his possession, a small committee, representing both sides, might sit down, thresh out the matter, and make a recommendation to the House.

[Mr. Nesbitt.]

Mr. ALFRED THOMPSON (Yukon): I am glad to hear from the Prime Minister that the Government intend to deal with this question in a comprehensive way, because, though the war will end sooner or later, it will be a long time before the problems relating to the pensioning of our soldiers will end. I was interested particularly in the remarks of my hon. friend from Edmonton (Mr. Oliver) with regard to the treatment of insane soldiers. I gathered that he thought it would be better if these unfortunates were treated in some separate institution. The treatment of the insane is becoming more and more specialized as scientific knowledge accumulates and the results of different methods of treatment are studied. In all civilized countries the treatment of the insane is engaging the attention of some of the ablest members of the profession to which I have the honour to belong. In Canada the insane are treated in asylums or hospitals established and administered by the several provinces. In these hospitals you will find specialists who are studying the vagaries of the insane mind, and applying treatment that brings about wonderful curative results. The question of environment for the insane has been discovered to be very important—perhaps the most important element in their treatment. The insane are given cheery, sunny, comfortable surroundings and congenial company. Specialists are employed to keep the patient's mind occupied and to direct the current of his thoughts in wholesome channels. Another important item is food, and the nursing of these patients is a specialty in itself. Therefore in the majority of cases, you will find our hospitals for the insane in salubrious locations with most favourable surroundings and those in charge are trained specialists in the care of the insane. There would be great advantages, for the present at any rate, in sending our insane soldiers to these hospitals, because of the special care that they can receive there. As my hon. friend from Edmonton has said, we have had more insanes in this war than in any previous war, because we have had more nerve-racking battles and more nerve-racking experiences in connection with this war than have been known in previous wars. I gather from the remarks of the hon. member for Edmonton, that he believes that there is an idea throughout the country that a certain stigma attaches to the individual who has been confined in an insane asylum. Perhaps he is right.

There should be no such stigma, but possibly there is. I understand him to say that for this reason it would be better to have some special hospital for the treatment of our insane soldiers. That is a very worthy suggestion. This would mean that we would have a Federal hospital for the insane; a military hospital for the insane, if you will. I assume that at the present time—though I am not sure, for I have not investigated the matter—the insane soldiers are being cared for in the existing asylums of the several provinces. It may be that they have been segregated in these hospitals, possibly in each hospital a military ward has been established, but that, I take it, would not meet the suggestion of my hon. friend from Edmonton. It would ensure for our boys who have come back from the front the attention of highly-trained medical specialists and nurses, but it would not meet the views of the hon. member for Edmonton which is that we should have a separate hospital for our soldiers. That is a suggestion, I think, which is worthy the consideration of the Government. If this war continues, as we have every reason to fear it will, if these awful bombardments go on, as we have every reason to fear they will, there will be an increasing number of insane soldiers returning from the front. I rose merely to support the argument made by the hon. member for Edmonton.

Mr. FRANK S. GLASS (Middlesex East): Like my hon. friend from the Yukon (Mr. Thompson), I noted the remark of the hon. member for Edmonton (Mr. Oliver) that there might be a stigma attaching to the soldier sent for treatment to one of the existing provincial institutions for the care of the insane. It would be presumption for me to attempt to discuss scientifically, from a medical standpoint the benefit of these institutions in my own province, but I do say that if the institutions of that kind in the district from which the hon. member for Edmonton comes are anything like those that we have in Ontario, there could be no objection to sending patients to them. In Ontario the word asylum has been almost entirely dropped so far as these institutions are concerned; they are called hospitals for the insane. If they are all of the character of the one very close to the district in which I live, they might well be called sanitaria for the insane. The institution in London, which is supported by the Provincial Government, is one of very long standing. The treatment of patients there is now entirely different from that which prevailed some years ago; medical science, electricity, bath treatments, and so on, have contributed materially to improving the efficiency of the treatment accorded the patients. The percentage of recoveries in these institutions has during the last few years been very much larger than ever before. Similar institutions in all parts of the world have adopted improved methods of treatment. I cannot agree, therefore, with my hon. friend when he says that the congregation in one institution of a large number of persons whose mental condition has been disturbed by the war would be as desirable as their going to the different hospitals of that character that we have throughout the country. These institutions have no longer the character of a prison. The whole surroundings have the character of a sanatorium, of an institution to which one might well go for the recovery of health. Provision is made whereby the patients may indulge in various kinds of sports and amusements; those who may be allowed their liberty have considerable freedom, and, in a sense, may roam about at will. Having regard to the commodious nature of the grounds, the provision for sports and amusements, and the general improvement in methods of treatment at these different institutions, it is reasonable to suppose that more recoveries would be effected by sending the patients to different institutions than by gathering them all into a single hospital. As to the cost of maintaining and treating these patients, I have not the slightest doubt that it would be a privilege and a pleasure to the provinces to take care of our brave boys who have been or may be so afflicted. A great deal can be done for the comfort and happiness of soldiers who have been wounded or incapacitated in various ways, by a system of technical training that will enable them to be useful in some vocation. The man who may have lost an arm may be trained to do something by which he can use his other arm and the rest of his powers in earning a living. I believe that the man who feels that he is, in a measure, contributing to his own support is far happier than the man who feels that he is dependent upon the state. Again, if we should deem it necessary to establish a separate institution for those persons whose minds may have been afflicted while at the front, would not the same principle apply to those whose eyesight has been destroyed? I think it is generally agreed that the very best

thing that can be done for those who suffer loss of eyesight is to send them to institutions where for years the care and education of such persons has, under the surveillance of the Government, been carried out according to the best methods that science and skill can provide. Much can be done to contribute to a man's happiness in life, even though his sight be gone, and I think that the proper place to take care of such men is in the institution provided especially for that purpose. While I do not know what the needs of the future will be—they may vary according to the number of men who may be so afflicted—it seems to me that for the time being those institutions which for years have specialized in the treatment of subjects of this kind are best fitted to take care of those of our sons who may be so unfortunate as to be afflicted by loss of reason during the course of the war.

Mr. MACDONALD: I am very glad indeed to have the assurance of the right hon. Prime Minister that the papers in this matter will be brought down and printed for the information of members of the House, and that the matter will be further taken up in some other form. The subject is one which is well worthy of careful study. I have endeavoured in a small way to devote attention to the matter, and I am surprised to find that I have arrived at a conclusion different from that of the right hon. gentleman in regard to the comparison between the Canadian and the Australian and English pension lists. There is, of course, difficulty in getting authoritative statements from England and Australia as to the amounts paid to the different ranks under the different degrees of disablement, in order that comparison can be readily made. Where different degrees are set forth, the matter becomes somewhat complicated.

Sir ROBERT BORDEN: I do not think there was any difference in our views.

Mr. MACDONALD: There was practically no difference in our views, but my conclusions in regard to the difference between our position and that of Australia were different from those of my right hon. friend. Of course, the right hon. gentleman speaks from authoritative documents which I did not have at hand; I have no doubt that he is correct.

The right hon. gentleman spoke of the great difference between the amount paid to the English private and that paid to the English colonel, and of the difference existing in that respect between Australia and Canada. In England this condition is, of course, evidence of the recognition of classes and masses, which we do not have in this country and which do not exist in Australia. We cannot help being struck by the fact that every day Canadian men are going into the ranks who are just as good, socially, intellectually and every other way, as the men who hold command. In fixing the pensions this fact should be recognized, and the wide distinction that exists in England should be totally disregarded here in apportioning pensions to the respective ranks. It is the duty of the Militia Department to see to it that the men who are accepted for service are carefully scrutinized medically before they are allowed to go overseas. It is beyond question that there has been laxity in that respect and that unfit persons have been allowed to go. If you visit any convalescent home to-day you will find some men who should never have gone to the front. The burdens of this country, which we will all assume with the greatest possible feeling of fulfilling our duty, will be sufficiently great in looking after those who were fully competent and fit to go, without having any additional burden imposed upon us by the accepting of men who are not physically fit for service. If there has been any laxity in the past, it is to be hoped that greater care will be taken in the future in the examination of recruits. Then, too, care should be exercised in regard to the age of those who are accepted. You will find men bubbling over with enthusiasm and military ardour who have long passed the age when they can give that vigour and real, practical work which is required in this war, because a man may be enthusiastic, but may have a lack of physical vigour which will render him susceptible to conditions which will make him a pensioner more quickly than others. There is no reason for that man going or any man who is not physically fit and strong. The privations in this war are greater than they have been in any other war, and it is better for us to exercise care now than to have to deal with this problem later on.

I have no reason to find any fault with the gentlemen now fulfilling the duties of the Pensions Board; but their duties hitherto have been comparatively light, and have not been at all commensurate with the burdens which will be placed on such a board before the close of the year 1916. I do hope that, both in regard to the board and to the question of the pensions to be paid, before

the close of this session the matter will be put on such a clear, definite, and certain basis that the man going out will know what his rights are, and that he will feel beyond all question that when he comes home those rights will be recognized, if unfortunately he should fall within the class of people entitled to receive pensions. We will await the bringing down of the papers. I feel assured that the Government, as their views have been stated by the right hon. gentleman, will join with those upon this side of the House in endeavouring to put the question of pensions to be paid to our returning soldiers on the very best possible basis.

Motion agreed to.

At six o'clock the House took recess.

The House resumed at eight o'clock.

CANADIAN NAVAL SERVICE.

Mr. E. M. MACDONALD (Pictou) moved:

For a return showing a list of vessels, belonging to the Canadian Government which are on service under the provision of the Canadian Naval Act, and of all vessels not now in service and their present condition and suitability for service, and also for a copy of all letters, petitions or communications had by or with the Government in regard to the establishment of a Canadian Naval Brigade.

He said: Mr. Speaker, we are now in the twentieth month of the war, and I am sure that it must have struck every hon. gentleman who is at all reflective, in relation to our own position, and our position in the Empire, that, while we have heard a great deal about what Canada is doing upon the land, we have heard absolutely nothing about what Canada is doing on the sea, or about what she ought to do on the sea. Whether it is that the hon. gentleman who fills the position of Minister of Militia has a greater faculty for playing, in the centre of the stage than the hon. gentleman who is Minister of the Naval Service, or whether the lack of aggressiveness of the one accounts for his total abstinence from remark as regards our service on the sea, is a matter upon which I do not purpose to comment particularly. The fact remains that up to date no one has heard of Canada doing anything or attempting to do anything on the sea. This motion which I have submitted to-night is for the purpose of drawing the attention of the House and of the country to the fact that the time has arrived when something ought to be done.

The evening papers contain the announcement that the German fleet is proposing to come out at last to give battle to the British Navy. It is an object of interest as to what our position in Canada might be if half a dozen or so of German ships succeeded in escaping from the conflict around the north of Scotland, and in making their way across the ocean to our Atlantic seaports. It is an object of interest to inquire what, in that event, our position would be. The situation is that, for the last three months the North Atlantic squadron of the British Navy has been engaged in cruising around in what might be called the South Atlantic, with its headquarters at Jamaica, and has been continually on watch for the purpose of intercepting any vessels which might be engaged in carrying munitions or other aid to the Germans and their associates. Like a bolt from the blue there came the announcement about a month ago that two or three German raiders had succeeded in capturing quite a number of British merchant vessels, and that the Appam had succeeded in passing the cordon which is supposed to surround the south Atlantic coast, and found her way into Hampton Roads. Hence it is that the Appam had succeeded in passing the cordon which is supposed to surround the south Atlantic coast, and found her the United States and the ports of Central America. Where is Canada to-day in means for her defence? We might look to Australia. Australia has not only her own defence provided for, but she is able to send the Sydney and the Melbourne on service, both of these warships having, during the past six or seven months, formed part of the British squadron which is at present in the southern Atlantic. Canada is in this humiliating position, that apparently we have no vessels of any kind, and that, if any German ships made their escape from a conflict in the North Sea, and came across the Atlantic, we would be absolutely defenceless.

It may be said that the information which I ask for should not be brought down because it would indicate our absolutely defenceless position, but with that theory I do not for one moment agree. Where you have a situation which, in the interests of the whole country, requires to be remedied, there is only one way of dealing with it, and that is to face it squarely. No hesitation has been shown in the Imperial Parliament in criticising to the full and in the most severe manner the actions both on sea and on land, and the administration in regard to the movement of the forces, and the direction of ships.

Why, only a week ago Winston Churchill left his command in France for the purpose of coming to London to discuss fully and frankly the naval situation, and to point out the imperative necessity of recalling Lord Fisher to the Admiralty. So I have no compunction whatever in bringing up this subject. I say that in the month of January—only two months ago—there was on the Atlantic coast only one vessel belonging to the Department of Naval Service that was fit to go to sea, and that was the very small ship, the Canada, which has only two small guns. There were other vessels attached to the naval service: the Grilse for instance, which is attached to the North Atlantic squadron and in January she was at Bermuda, and is now between Bermuda and Jamaica. Then there was the Stadacona, which was purchased last summer and which has cost this country $104,585 to put in shape. Any one who visited the Halifax dockyard last January could see that she was not in condition to go to sea; in fact, it was freely stated in Halifax that her captain had said she was in such a condition that he would not venture to put her out to sea. She is only a small vessel, purchased in the United States, and she was never built and never intended for that service. Then there was the Hochelaga, which has cost Canada $92,642; she arrived at Montreal on August 21, and remained there until September 11. She was on duty off the coast from September 11 to December 22, and on February 19—the last date on which I have information regarding her—she was lying in the dockyard. She was therefore not available for any purpose whatsoever from December 22 up to the 19th of February. Then there was the Florence, which Sir John Eaton presented to the Naval Service Department. She is a very pretty steam yacht, but any one who has seen her would realize that she was not intended for our stormy Atlantic coast. She was not available for winter service at all. Then there was the Tuna, which was being repaired, and is still undergoing repairs. Then there was the Starling, a tug boat; and the Margaret, a small boat; I don't know where she was, but any one who has seen her would realize that she was not fit for Atlantic service. With the exception of the Niobe, these were the only vessels that the Canadian Naval Service had at Halifax in January, 1916. The Niobe was tied up at the wharf, with her guns dismantled, and she was being stripped. A house had been built over her for winter, and there was a large number of men going up and down her decks, apparently doing nothing. I think about seven hundred men were on board, and apparently they were there without any purpose whatever. So the only vessel we had on the Atlantic coast in January, 1916, was this small vessel the Canada. Is that a proper position for a self-respecting country like Canada to be in? What has Australia done? She adopted a naval policy such as we on this side of the House believe in, she built the Australia, the Sydney, the Melbourne, and other vessels; and she was able not only to protect her own shores, but to send these boats into the Atlantic ocean. The only available boat we had was being dismantled; for what purpose I do not know, and I would like the Minister of the Naval Service to tell us. Going around the coast of Nova Scotia as I did in different vessels and steamers last summer, I met many officers of the British Naval Service, and each and every one of them bore testimony to the value of the Niobe as a first-class vessel in every way. They told the story of how a month after the war began she had her crew on board and was on duty off the coasts of Canada and the United States performing her work just the same as every other vessel that came out from England. But this vessel which was bigger than any of the five vessels that came out and formed the North Atlantic squadron, and which had a heavier armament, was dismantled. That was the situation then, and, as far as I am informed, that is the situation to-day. When any of our transports cross the ocean, certain vessels are detached from the Atlantic squadron, and escort them part way across. Last summer our transports which went from Quebec did not even depend upon these vessels for escort, but were escorted down the gulf of the St. Lawrence to Newfoundland by the Canada and the Grilse. For the last three months, then, and at this moment, with the exception of the British squadron, whose particular duty is off cape Hatteras and along the West India Islands, the only protection Canada has had on the Atlantic coast was the Canada; except for a stray British ship that would come in for coal or supplies. One of the anomalies in this connection is that the ships of the British squadron cannot, or do not, burn coal that is produced on this side of the Atlantic. Day after day you will see in

Halifax harbour half a dozen steam vessels laden with coal, which have been sent out from England with coal supplies for the ships of the squadron. When these warships are not taking in supplies and coal at Halifax, they are off New York or cape Hatteras, or along the West India Islands. It is well that the House should understand the exact situation. If the Minister of Naval Service can inform me that we have any greater protection than I have stated, or can assure the House that our coasts are adequately protected, I shall be very glad to hear from him.

The other portion of my motion calls for:

A copy of all letters, petitions or communications had by or with the Government in regard to the establishment of a Canadian Naval Brigade.

In the Naval Service Act of 1910, there is a provision under which this Government can form a naval reserve, or naval reserves. Provision is also made in the Act for placing men who enlist in these reserves at the service of the Admiralty. In British Columbia a reserve was formed by some enthusiasts who were interested in the protection of Canada from attack by sea, and service in this organization was purely voluntary. I have under my hand the Naval Service reports from 1912 to date, and I cannot find in them anything about the existence of anything like a naval reserve of any kind whatsoever, until I come to the report for 1915, which has been laid on the table of the House during the present session.

I am informed that no official recognition of that purely volunteer naval reserve was given until just before or just after the war broke out. I am informed also that in 1914 Sir Richard McBride communicated with the Premier of Great Britain, with the Right Hon. Winston Churchill, who was then Secretary of the Admiralty, and with Lord Fisher as to this naval brigade, and as to furnishing recruits from Canada for the British Navy. He received favourable replies from all those sources; but as this Government was not as favourably disposed as was the English Government, no encouragement whatever was given to recruiting, and it was not until after this organization had been in existence for some time that anything was done in the way of recognition. What took place then? It has often been said in this country that you cannot get sailors to serve in the navy. While I speak with some trepidation in regard to the resources of Canada in the presence of gentlemen who come from the central provinces where there are such magnificent resources, I will not defer in my opinion to those gentlemen in regard to matters affecting ships and those who go down to the sea in ships, because those of us who come from the seacoast see the conditions there, and know something about them. The men who have spoken in this House in days gone by of the impossibility of recruiting men in Canada to serve in the navy have utterly misapprehended the conditions, as is proven by the fact that from this voluntary naval reserve in British Columbia 200 men are already serving in the British Navy.

Let us see what the public records say as to what can be done in Canada. It will be interesting to hear the explanation of the Minister of Naval Service (Mr. Hazen) as to why he has not attempted to recruit men in Canada for the navy. The necessity of getting men for the navy is quite as great if not greater than getting men for the army. Speaking upon this question in the debate on the Address I read from official sources as to the necessity of recruiting men for the navy. When the English Parliament a few months ago passed the compulsory measure which provided for all men serving under the British flag, they attached an amendment by which the navy on account of its necesities was to have the first right to select from those who were conscripted, and if one studies the English newspapers, one will see that the attempt to get men for the navy is pushed with the greatest possible keenness and energy all through that country. They go to the public schools and get the young men who have never seen an ironclad to serve in the navy, and they recruit in the cities. The necessity at Gallipoli was so great and the conditions in that peninsula so terrible that the older men, who had been reservists and who had retired from the sea, were found manning the great vessels of the Mother Country there. Yet the Minister of Naval Service has never asked the people who lived down by the sea in the Maritime Provinces to rally around the old standard and to proffer their services in fighting England's naval battles. Why has he not done so? I find in the first report which my hon. friend laid before the House the following statement as to what might be done:

On the arrival of the ships—

The Niobe and the Rainbow.

—at Halifax and Esquimalt respectivly, recruiting was started. By arrangement with the Post Office Department, postmasters were appointed recruiting officers in seventy-five cities and towns in the Dominion; posters were exhibited throughout the Dominion and a recruit-

ing pamphlet was widely distributed. As a result recruiting has been satisfactory, and the complement of the Niobe is practically complete whilst there are still a few vacancies in the Rainbow. As the advantages of the service become more widely known, it is anticipated that there will be no difficulty in obtaining recruits.

That was in the year 1912. Then we come to 1913 when my hon. friend laid another report on the table explaining why men were not asked to serve at sea. In that report my hon. friend made himself responsible for this statement:

Owing to the uncertainty of the future naval policy, and the limited accommodation available, no special efforts are being made to obtain recruits for the navy; eligible candidates presenting themselves to the various postmasters detailed as recruiting officers, were sent to the Niobe and the Rainbow for training, the total number of recruits entered during the year being 126.

Then my hon. friend, in another part of the report, stated:

Up to the present the fishing population has not been exploited and it is anticipated that recruits can be obtained therefrom who are inured to a sea life and who would find themselves in congenial surroundings in a man of war.

Why was it that the men who lived by the sea were not exploited? Why did the Government not ask the men in the fishing counties of Eastern Canada to serve in the navy? Beginning with the county of Yarmouth from which our late lamented friend Mr. Law came, and going to the counties of Queens, Guysborough, Richmond, and Cape Breton, there are thousands of men whose sole occupation from one end of the year to the other is life upon the sea. They have not, with the same enthusiasm that men from other portions of our country have, offered their services to the Empire on land because the sea is their home, and they have never been asked to serve in the navy. My hon. friend said in 1913:

The fishing population has not been exploited.

Why has it not been exploited if the nation needs men for the navy? Again I take my hon. friend's report of 1914:

No recruits have been entered in the ships since October last.

Sometimes we hear about the wonderful pressure in certain departments on account of the war, yet this report indicates that there was no pressure in the Naval Service Department because no recruits have been entered since October last. The report goes on:

H. M. C. S. Niobe is now in an efficient seagoing condition, her repairs having been completed in December, but on account of deficient complement, however, the ship is not able to undertake prolonged cruises.

In other words, this first-class cruiser sent out by the British Government and which was declared by this report to be in first-class condition in April, 1914, was, according to the report of my hon. friend's own officials, unable to go to sea because they had not enough men to man her and because they were not endeavouring to get the men. My hon. friend, in this report of March 31, 1914, further says:

The Government having decided not to continue H.M.C. ships "Niobe" and "Rainbow" in full commission, no recruiting was carried on during the year, and the programme of exercises and training laid down for these ships was not continued. During the year free discharge was given to those Canadians who entered the service as boys and wished to avail themselves of the offer; in addition, many of the ranks and ratings lent from the Imperial service have completed their engagement under the Canadian Government, and returned to England, without being replaced.

This is the official report of the Department of the Naval Service for the year ending March 31, 1914, and it shows clearly, as I have already stated, not only that they are not keeping men enough on these vessels to enable them to go to sea, but that no attempt is being made to get the men.

I have searched these reports carefully, and I can find no reference to the organization of a naval brigade or reserve. It was not until the latest report was laid on the table of the House this year that the first mention was made of a naval reserve in Vancouver. The reference is as follows:

The R. N. C. V. R. chiefly recruited at Esquimalt have been actively and usefully employed both ashore and afloat and have shown, both officers and men, commendable zeal in the performance of their duties.

I am aware, however, that from this purely voluntary brigade, which was not recognized until the war began, there have been drafted men now stationed on vessels in the North Atlantic squadron and elsewhere. I am aware of a notice which appeared in a Vancouver newspaper about ten days ago which read:

A recruiting officer will be at room 25 Canada Life building, 640 Hastings street west, Vancouver at 10 a.m. on Monday and Tuesday next, 6th and 7th March, to secure recruits for the Royal Naval (Canadian) Volunteer Reserve stationed at Espnimalt, B.C., to replace the men of this force discharged recently for "active service" on the Atlantic.

This force, (which was called out on "active service" at the outbreak of war) has now over 250 men serving in ships of the Royal Navy and the Royal Canadian Navy on the Atlantic and

Pacific ocean, besides supplying the guards for H. M. C. dockyards at Halifax, N.S., and Esquimalt, B.C., and patrols at these and other points.

Then follows a statement of what is required of recruits.

Now, why is it that the Minister of the Naval Service has not made any attempt on the Atlantic coast to provide for a naval reserve, or a naval brigade, or even to get recruits of some kind? Since the German vessels were driven off the Southern Pacific, there is nothing to menace our western coast. In March, for the first time, the hon. minister asks for recruits, but in doing so he keeps away from the Atlantic coast. At no time has there been any request for recruits on that coast. Yet, that is where the necessity arises. I do not comment on this with undue severity; I simply call the attention of the House to the fact that we have no protection whatever on the Atlantic coast;—the Niobe is dismantled at the wharf, the Canada is the only vessel of any consequence that we have, and she is of very little consequence, and no attempt is made to recruit men for the navy. Yet there is no reason why they should not be recruited. The minister's own reports negative all the arguments put forth elsewhere against recruiting. I would like to know from the Minister of the Naval Service why Canada has no determined to do her part with men on the sea, as she has done with the men on the land.

Hon. J. D. HAZEN (Minister of the Naval Service): The resolution of the hon. member for Pictou really relates to two different subjects. The first part is:

For a return showing a list of vessels belonging to the Canadian Government which are on service under the provisions of the Canadian Naval Act, and of all vessels not now in service, and their present condition and suitability for service;

The other part is as follows:

—and also for a copy of all letters, petitions or communications had by or with the Government in regard to the establishment of a Canadian Naval Brigade.

With regard to this portion, there can be no objection to bringing down all the correspondence. As to the first part about which I have already spoken to my hon. friend, I do not think it would be in the public interest to give to the world a statement of the Canadian vessels, their present condition and suitability for service, and a general statement of what they are doing. However, the hon. gentleman and I will agree about the matter, and I am confident we shall be able to afford him all the information he wants. For, listening to my hon. friend, I cannot but think that his resolution is moved, not so much for the purpose of gaining information that would be of value to the country, as for the purpose of making a partisan attack on the Government of the day. This is not the first occasion this session when my hon. friend has referred to this subject. Speaking in the debate on the Address, on the 4th of January last, my hon. friend told of a visit he had made to the navy yard in Halifax on the 2nd of January of this year; and, while he complained that there did not seem to be a great deal of work going on in the navy yard at that time, the principal subject of his complaint was of the way the navy yard was guarded. He said:

Again, here in this dockyard, built by the money of the Imperial Government, which the Imperial vessels use but very rarely and to a very slight extent, anybody who looks honest to the Dominion policeman who stands at the gate of the dockyard can walk in and go anywhere he pleases. I say the Minister of the Naval Service should have that dockyard under the control of men who are there attached to the Niobe.

Later, he said:

There was nobody guarding the dockyard gate except a Dominion policeman. If this Naval Service is not the most awful farce that any Government ever intended to carry through in any country, do you not think that they would have some of their men detailed to guard the gates of this dockyard at the city of Halifax, which is supposed to be the great centre of the Atlantic squadron on this side of the ocean? Yet that was the situation. It seems to me surprising, I am bound to say I was astounded.

He also said:

I bring this matter to the attention of Parliament not from any desire to be partisan in placing the matter before the House; but I believe that these conditions are such that Parliament should know of them, the Government should be informed of them, and the matter should be dealt with accordingly.

According to the hon. gentleman's statement, it was the 2nd of January when he visited the dock-yard and was surprised at the lack of activity there. But he did not tell the House that the second day of January was a Sabbath day, nor did he remind the House that it was the day after New Year's Day.

Mr. MACDONALD: It was not the Sabbath.

Mr. HAZEN: The hon. gentleman may have given the wrong date, but the 2nd of January was certainly a Sunday, and the rule of the navy yard is that there shall be no Sunday labour if it can be avoided. The hon. gentleman naturally finds the dock-

yard a quiet spot on Sunday, especially on a Sunday succeeding a holiday so generally observed as New Year's Day. It is hardly fair for the hon. gentleman to represent the condition he found on Sunday as being the ordinary conditions prevailing in this dock-yard. As a matter of fact, since the war broke out, the dock-yard has been an extremely busy place.

A large number of warships have been based upon Halifax, and the work of repairing these ships and keeping up their supplies, filling vacancies in their crews, providing for their sick and finding accommodation for the crews sent out to recommission them has proved quite a tax on the small staff maintained at the yard. The staff of the Naval Service Department at Halifax has also been obliged to undertake many services in connection with the war, and to do its share in the defence measures which have been adopted on the Canadian coasts. It is not possible, it is not politic or wise, to describe these measures in detail, but the Halifax yard staff has certainly not been idle; it has, not only in our opinion, but in the opinion of the Lords of the Admiralty as well, been doing extremely good work.

That the hon. gentleman was extremely anxious to find ground for criticism was shown in the remarks that he made about the way in which the dockyard was guarded. The hon. gentleman comes before this House posing as a man who has made a study of naval matters. Will he be surprised when I tell him that the measures taken for the protection of the Halifax dockyard are in line with the measures taken for the protection of the dockyards of the Imperial Government? The dockyard was guarded by Dominion policemen. My hon. friend says that is all wrong; that the dockyard ought to be guarded by men taken off the ships, who should be used as a patrol in the yard. But, as I say, the systems in force at Halifax and Esquimalt are exactly the same as the systems in force in the yards of the Imperial Government. In those yards it has been found advantageous to have the policing in the hands of a force entirely distinct from the naval organization, and we have been following that policy in connection with our dockyards on the Atlantic and the Pacific. The outside discipline of the yards is maintained by members of the police force; these men are in a more independent position than men belonging to the ships, who might have a tender feeling with regard to their comrades on shipboard.

It has been found by the Imperial authorities that an independent land force of policemen exercise stricter supervision, and that better results are obtained in this way. The Canadian navy yards have followed the example of the British authorities, and the employment of Dominion policemen as guards in these establishments is giving the most satisfactory results, as is shown from the fact that there has not been the slightest trouble in the yards in Esquimalt or Halifax, from outside interference since the war began. I do not think my hon. friend should complain because the policeman at the gate allowed him to pass. My hon. friend is well known in the province of Nova Scotia; few men are better known. The policemen at the gate knew him; knew that he was a member of Parliament; knew that he was a man who had a right to visit the dockyard if he saw fit; therefore he allowed him access to the yard without challenging his right to enter. Complaints are continually being made by persons who are refused admission to the dockyard—who are stopped by the policeman when they attempt to enter. They claim that the policeman ought to have known who they were and should have allowed them to enter without having a pass from the proper authorities. This is an indication of the fact that in moving for those papers my hon. friend is desirous of making political capital, of making a little picayune criticism. His chief criticism in this connection is that the naval authorities of Canada are pursuing exactly the same course so far as guarding the dockyards is concerned as is followed in the Imperial dockyards of the United Kingdom.

My hon. friend has sought to attack the Government by saying that Canada has no defence upon the Atlantic or upon the Pacific coasts. If Canada has no defence; if we are not contributing as much as we should to the splendid defence that is given to us by the British Navy to-day, I ask this House and this country whose fault is it? In view of the way my hon. friend and the members of his party in 1913, by every method known to parliamentarians, obstructed the passage through this House of a Bill designed for the purpose of giving assistance to the Navy in the Mother Country; in view of the emergency that was then threatening us; in view of the cloud that was then hanging over our heads; in view of the fact that my hon. friend's party induced their partisan majority in the Senate to throw out the Bill providing for

the building of three of the largest ships of war that science could devise and that money could buy—in view of these facts, I ask my hon. friend if it is not a matter of courage on his part to attack this Administration because Canada is not in a better position to defend her coast to-day, and because she has to rely, as she has in the past, upon the protection of the British Navy? Previous to the elections of 1911 the hon. gentleman's party made a certain pretence of naval defence in this country. They asked for tenders for certain cruisers and torpedo boat destroyers. Tenders were received, but they were put in a pigeon-hole, kept there for about six months, and did not see the light of day again until after the present administration came into power. If hon. gentlemen opposite were honest in their desire at that time to strengthen our naval defences, how was it that the contracts for the construction of these ships were not awarded? Was it, as appears to be the case, that they wanted to play politics with these ships at the coming election, and to make the people of Montreal, St. John, Halifax and Cape Breton believe that it was the intention of the then Government to construct a Canadian navy, and that the ships would be built at each of these places? The hon. member for St. John time and again has suggested that if the contracts had been awarded by the late Government, these ships would have been built at St. John; yet the right hon. leader of the Opposition told this House in most emphatic language that had the contracts been entered into, these ships would, at the time that he was speaking, be under construction at the city of Montreal. Everybody who knows anything about the election of 1911 knows that these statements were allowed to play a considerable part in the attempt of hon. gentlemen opposite to obtain support for the party then in power in the constituency of Halifax and the constituencies of Cape Breton. Did the hon. gentlemen neglect to award the contract for these ships, the tenders for which they had had in their possession months before the general election, simply because they were playing the game of politics with the whole naval question? When we came into power, and when these tenders were taken out of the musty pigeon holes in which they had been allowed to remain for months, indicating the absolute lack of sincerity on the part of my hon. friend and the party opposite in regard to this matter, we found awaiting us reports from Commander Roper and Admiral Kingsmill stating that to proceed with the construction of these vessels would be a mistake; that when completed they would have passed their time and would have to be included with those vessels that were obsolete or in a state of obsolescence. These are the facts with regard to the action of my hon. friend opposite.

What was the action of the Conservative party in regard to the matter? The present Prime Minister, then leader of the Opposition, told this House and told this country that if he were returned to power he would consult with the Admiralty as to what was the best thing to be done with a view to assisting the navy of the Empire in the event of war being declared. After the right hon. gentleman came into power, in the year 1912, he, with certain of his colleagues, went to Great Britain, and there had consultation with the Prime Minister, Mr. Asquith, with the Lords of the Admiralty and with other naval authorities, as to what was the best thing that Canada could do to assist the British navy in the event of war taking place. After my hon. friend came back to Canada, at the next session of the House in 1913, he laid upon the table of the House a state document received from the Lords of the Admiralty, which, after reviewing the situation—showing to any man who could read between the lines—that an emergency was apprehended, that war was to be feared—concluded in these words:

> The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering, after a prolonged consideration of all the circumstances, that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or which money can supply.

And, acting upon the advice of the Admiralty, my right hon. friend, with the concurrence of the Government of which he was leader and of the party which supported him in this House, introduced a Bill to provide for the construction of three capital vessels in accordance with the recommendations of the Admiralty. We believed then and we believe now that the Admiralty were the best judges of what was required for Empire defence under the circumstances that then existed. When my right hon. friend placed his proposals before Parliament, they were met with every possible ridicule, they were met with every possible method of obstruction that parliamentary skill in obstruction could devise. We were

told that there was no emergency. The idea of war then or in the near future was ridiculed, laughed to scorn, by the hon. members on the opposite side of the House. They, not content with ridiculing the idea that there was danger of war, that there was any war cloud hanging over the Empire, that there was any emergency that would have to be met; they were not content with making these utterances in the House, but when the resolution had been carried in this House they followed it into the other House and got their partisan majority in the Senate to throw out that measure designed for the protection of the British Empire. So, if my hon. friend wants to know why Canada was not better prepared for the defence of the seas, why she was not contributing more to the British Empire, I advise him to go and consult his friends in the Senate who, at the suggestion and dictation of the members of his party in this House, threw out the Bill designed and intended for that purpose. But my hon. friends were not content with the attacks which they had made in Parliament upon this proposal; they followed it up in the literature which they issued to the people of this country. No emergency, they said; they laughed at the idea of an emergency. The idea of war with Germany was the most impossible thing, and the right hon. gentleman who leads the party on the opposite side took the occasion in one of his speeches to point out what a splendid man the German Emperor was and how he might be relied upon to maintain peace under all circumstances. Hon. gentlemen then, as to-day, flooded this country with pamphlets for partisan purposes. I hold in my hand a pamphlet issued by the Central Information Office of the Canadian Liberal party in Ottawa in 1913, known as publication number 6. It is entitled "Is there an emergency, conflict of opinions examined in the light of the facts." And this pamphlet of 24 pages is devoted to

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argument to the effect that there was no more arrant nonsense in the world than for any body of men to contend that there was any danger of war between Great Britain and Germany, and that the idea of an emergency was simply the purest sort of nonsense, the result of the imagination of people who were anxious to stir up strife in the country, and that there was not the slightest foundation in fact for it. And yet, scarcely 12 months after this publication was written, the world was at war, the Empire was engaged in a fight for its very existence, which has been continuing ever since and which may, unfortunately, continue for many months to come. Let me quote a few passages from this pamphlet. I find on page 5:

> Here then is the difference between Sir Wilfrid Laurier and Mr. Borden. Sir Wilfrid Laurier denies that there is an emergency. Mr. Borden will not say that there is an emergency, but to avoid bringing down a permanent policy, either the same as or different from that to which Parliament unanimously agreed, has thought it necessary to make it appear that an emergency exists and that Canada should present to Great Britain the three largest ships of war in the world at a cost of $35,000,000, and then work out a permanent policy. Who is right?

Is there a man in Canada to-day who will not say that the right hon the leader of the Government was right and foresaw what was going to happen in his policy of desiring to have three capital ships of war, even if they had cost $35,000,000 or more, so that when war came those ships, flying the flag of Canada, might be found on the seas, protecting not only Canadian commerce, but the commerce of other parts of the Empire as well, was right, and that the right hon. gentleman was taking a proper course and one which every patriotic man in this country now regrets was not followed, so that Canada might have taken a more active part in the defence not only of this country but of the Empire than it is able to take to-day, owing to the unfortunate and unpatriotic attitude taken by hon. gentlemen opposite on that occasion. But, Sir, this pamphlet goes on for page after page to support this contention. I find this paragraph on page 8:

> The relative strength of British and German fleets is evidence of no emergency, since the supposed emergency is in referenec to Germany. What is the relative strength of the German and British fleets? Here is the statement of the Right Hon. Winston Churchill, First Lord of the Admiralty, given in the House of Commons at Westminster, on Monday, July 22, 1912, in the course of an explanation of the scope and character of the new German navy law and its effect.

Then, they quote Mr. Churchill's words, concluding as follows:

> I hope it will be sufficient for me to say that the arrangements proposed will, in the opinion of the Admiralty, be adequate for the needs of 1914 and 1915.

Then, the editor of his pamphlet, issued from the bureau of the Canadian Liberal Party at Ottawa, goes on to say:

> In the face of such a statement as this, how can Mr. Borden and his followers, with any pretense of justification, contend that there is

an emergency at the present time, or even a likelihood of one in the immediate future? Elsewhere in the same speech Mr. Churchill refers to what could be done "at any time when the Admiralty consider that there is an emergency," clearly indicating that the Admiralty has no belief in any emergency at the present time.

Not only did they argue that there was no emergency, but they argued that Mr. Winston Churchill and the Lords of the Admiralty had no belief in the existence of any emergency at that time. They go on and quote declarations by responsible ministers to prove the non-existence of an emergency in face of the fact that those same responsible ministers or Lords of the Admiralty informed this House and this country that it was desirable that any aid Canada should give and the aid that would be most effective would include the provision of a certain number of the largest and strongest ships of war which science could build or money could supply. But they were not content with issuing one pamphlet on the subject to show that there was no emergency; they issued a second pamphlet from which I wish to read a few quotations. It was published in 1913, and was also issued from the central information office of the Canadian Liberal Party at Ottawa, on the memorandum prepared by the Board of Admiralty on the general naval situation. In it they proceeded to criticise the statement prepared by the Admiralty and said:

There is therefore nothing in the memorandum with respect to the German situation which has not already been given to the British public and the world, and which was not before the British Parliament at the time the Naval estimates were under discussion and Mr. Borden and his colleagues were in England. With these facts before them the British Government saw no existence of an emergency.

Why, therefore, should the Canadian Government draw inference of any such existing? The statement of British ministers in the debates when those facts were laid before the British Parliament are significant, and should be read in Canada when considering the inference to be drawn from the memorandum.

Again it stated:

Could any policy be given under these circumstances than that suggested by Sir Wilfrid Laurier in his reply to Mr. Borden? Referring to the Admiralty Memorandum Sir Wilfrid said:

This document shows that there is no emergency, that England is in no danger whether imminent or prospective. But the document discloses a condition of things, of which, indeed, we knew, but upon which has now been placed the sanction of official correspondence.

Therefore I say that my hon. friend from Pictou, and hon. gentlemen of the party to which he belongs, have not read that memorandum from the Admiralty. Having had the assurance given to this House by the Prime Minister, after consultation with the Lords of the Admiralty and with the naval authorities and the Government of Great Britain, that, from the information imparted to the House and from other information which he could not impart, the condition of affairs was such that there was need for strengthening the British navy in view of the emergency which, it was believed, was coming; with these facts before the House, hon. gentlemen opposite declined to believe that there was any emergency, declined to believe that there was any danger of a war in Europe, declined to believe that the institutions of the British Empire and of Canada were at stake, or were in danger in the prospective future, to quote the language of the right hon. gentleman (Sir Wilfrid Laurier) opposite; they refused to accept any of these statements, obstructed the Bill in its passage through this House, and then got their partisan majority in the Senate to reject it when it went to Upper Chamber. Therefore, I say to my hon. friend from Pictou that when he asks why this country is not doing her duty in the matter of defence upon the seas, I say: ask your leader and your party, and ask the Liberal majority in the Senate. That is the answer I give.

Mr. MACDONALD: My hon. friend had better ask Mr. Bourassa.

Mr. HAZEN: My hon. friend from Pictou need not get cross; he need not display temper in regard to this matter, and talk about asking Mr. Bourassa. My hon. friend asked a question, and I am giving him the answer, which is the answer that nine-tenths of the people of this country would give. The people of this country, who are not blinded by partisan considerations will, I venture to say, declare that it is the correct answer to the question asked in this House to-night by the hon. member.

My hon. friend from Pictou has gone further. He has said: why has not the Government of Canada enlisted men to form a naval brigade, to go over to assist the navy on the other side of the ocean. While I have a very great regard for the learning and ability of my hon. friend, I am disposed to think that he does not understand what the purposes and duties of the naval brigade have been in the present war, or what part they have served. Perhaps my hon. friend will be astonished to learn that the naval brigade on the other

side is formed of the surplus of men available after the ships of the navy have been manned. When war broke out, they were formed into regiments, and fought in the trenches, at Antwerp and in other parts, just as the men enlisted for military service fought. In not enlisting men to form a naval brigade we acted not on our own judgment, but on the jugment of the British authorities. I would ask my hon. friend whether, if these men were going to serve in the trenches, at Antwerp, and other places, as the soldiers have served, there was any reason for having two different bodies organized for the same service, one under the Militia Department and the other under the Naval Department.

Mr. MACDONALD: Does my hon. friend say that Great Britain did not require any recruits for her navy?

Mr. HAZEN: I say that at the time when war broke out, Great Britain not only did not require any recruits for her navy, but she had about 20,000 men enlisted for naval purposes who were not required to serve in the navy, and who were formed into naval brigades to fight just as the soldiers fight at the front. When war broke out, or soon afterwards, a statement was issued by Mr. Graham Green, the permanent Secretary of the Admiralty, relating to the formation of a Royal Naval Division. Our attention was called to this, and on September 22, the department called for information as to the formation of a Naval Brigade. On September 25 the information was forwarded to us, with a statement that the list of candidates for commissions was closed, and that no further officers were required. It said nothing whatever about the necessity of enlisting men for the ranks.

The Press Bureau published a statement which was signed by Mr. Winston Churchill, then First Lord of the Admiralty, and part of which I will read to the House to show the correctness of the statement I have made. On September 6 the Press Bureau published the following statement:

The Press Bureau has received the following communication from the Secretary of the Admiralty:

After providing for all present and foreseeable future needs of the fleets at sea, there remained available a large number of men belonging to the Royal Marines, Royal Naval Volunteer Reserve, Royal Fleet Reserve, and Royal Naval Reserve. A portion of these have been organized into one marine and two naval brigades, the whole comprising the infantry of one division, to be called the Royal Naval Division. The marine brigade, for the organization of which all preparation had been made before the war, has been for some time in being at a strength of 3,000, and has already been employed at active service at Ostend. The two naval brigades have been organized in the first instance at a strength of 3,750 each, and have been in camp since August 19. The cadres of their eight battalions have been formed from the Royal Naval Reserve men forming on these as they were despatched from the ports. The three brigades were fully constituted by the 24th August and entered at once upon a period of field training to fit them for service abroad if required in the New Year.

Just as the military are trained in the camps for service abroad, not for service on the sea.

In the meanwhile they will be organized and trained under the Admiralty and will remain available for service afloat should any unexpected needs arise.

There follows a statement as to how they would be made up, into different regiments and brigades. Then it says:.

The Royal Naval Division will be completely equipped in all respects by the Admiralty with field hospitals, transport, ammunition column, signal companies, cyclists, motor cars, and machine guns. An aeroplane squadron from the Naval Wing, complete with transport, etc., will be available when required. If at any time the naval situation becomes sufficiently favourable to enable this force to be definitely released by the Admiralty for military duty, it will be handed over intact to the Army for general service. The training, discipline, experience and quality which the personnel already possess should, after five or six months' special instruction in field duties, enable units of high quality to be produced.

And so on, showing distinctly that the surplus of men that they had after manning the ships and providing for the Naval Service, was being formed into a naval brigade to be trained in the field for field service, and to perform, as they have performed since the war broke out, exactly the same services which the military have performed in the trenches, at Antwerp, and other places on the Continent.

I now wish to submit to the House a memorandum on the subject, showing in plainer language exactly what that means:

At the beginning of the war the Admiralty called out the Royal Naval reservists, composed of men engaged in Mercantile marine but trained to a certain extent in the Royal Navy.

When these men responded to the call the Admiralty found themselves with a large body of trained seamen, from which they manned the ships ready to put to sea and still had a considerable number of men over. To utilize the services of these keen eager men, a Naval Brigade was organized, and at the same time the inrush of Naval Reserve men was checked, and instructions were received in Canada that only men specially needed by the Admiralty should be sent forward. The Naval Brigade thus organized, while formed of reserved seamen, was partly officered by Naval Officers and partly by Army Officers. The men were trained as a military unit, given the uniform of the land force, were armed and equipped in exactly the same day as the infantry regiments, and

took their places in the trenches alongside of the latter. The exploits of this Naval Brigade have been noted at Antwerp and elsewhere; they have served as infantry regiments throughout the war. The only hold retained on them by the Admiralty was that these men having received preliminary training as seamen, should be available for service on shipboard when required.

The organization of this Naval Brigade is, therefore, exactly similar to that of the land regiments, and there would be absolutely no reason for Canada organizing two different systems of forces. There does not exist in this country a sufficient number of naval officers to undertake the training of naval regiments, and it seemed far wiser to enlist all the willing men under the army organization, instead of duplicating that organization and administering part of it under the Militia Department, and part under the Department of the Naval Service. This would mean added expenditure without any increase in efficiency. The Canadian Government therefore, decided that no possible object would be gained by dividing their organization, and advised the few men who wished to enlist in Naval Brigades to enlist in Overseas Forces.

At the beginning of the war a number of Royal Naval reservists residing in Canada left for England to join the forces at their various headquarters, but this movement was stopped by the Admiralty as they felt they had a sufficient number of men on hand. The men who went from Newfoundland were men belonging to the Royal Naval Reserve who had been already trained in the Royal Navy, which maintains a training station at St. Johns.

I therefore ask my hon. friend what object would have been served in organizing a naval brigade, and giving it exactly the same training as was given to the men organized in the militia regiments, and then sending them across the seas to do exactly the same work and stand side by side in the trenches with the overseas military forces? Would it have been prudent to divide our forces? Would it have been economical? Would it have made for greater efficiency? No, Sir, it was far better to have all the men organized under one department. That was the course we decided upon after conference and consultation with the British army and naval authorities.

On August 2, having received a notice that the Admiralty had called out the Royal Naval Reserves we gave notice from the Naval Department to that effect to all the collectors of customs in Canada, and asked them to arrange wide publication ashore and afloat. I have here a copy of the telegram sent to the collector of customs at Sydney, N.S., on August 2:

Admiralty have called out Royal Naval Reserve. Please arrange wide publication ashore and afloat.

Naval.

On the 7th of August we wired to Admiral Kingsmill, who was in Toronto:

Public advertisement is being inserted in papers that R.N.R. men desiring information as to transportation should apply direct to Naval Service Department, Ottawa. They are then being informed to apply to station agent at their respective towns, presenting their papers and telegrams. Arrangements are being made with the Canadian Pacific railway, Canadian Northern railway, Grand Trunk railway, and Intercolonial railway passenger officers to authorize the necessary transportation on adoption of this procedure.

Naval.

On the 18th of August we received this despatch from the Admiralty:

London, August 18, 1914.

Naval, Ottawa.

R. N. R. officers, seamen, stokers, not to be called out unless services required locally.

(Signed) Admiralty.

Which showed that the British Admiralty had more men than they required for the manning of their ships. Shortly after the outbreak of war, members of the Royal Naval Canadian Volunteer Reserve offered to proceed to England to join the Royal Naval Brigade which had been formed there. The number available was 120 men and 9 officers.

In view of the length of training which the Naval Brigade in England had already had (over two months), and the necessity for the services of the Royal Naval Canadian Volunteer Reserve men in British Columbia; in view also of the absence of all officers on active naval service, who were qualified to train the applicants sufficiently, and finally on account of the inadvisability of sending totally untrained men to England for service in the Naval Brigade, it was decided not to grant the request of the members of the Royal Naval Canadian Volunteer Reserve. As the Naval Brigade is recruited for service ashore, and as applicants for entry in Canada could perform equally good service with the overseas forces recruited under the Militia Department, applicants were advised to enlist with the Canadian Overseas forces.

An offer under date of November 8, 1915, was received to recruit a "Special Pioneer and Water Transportation Corps" to consist of 200 men comprising four units, from Mr. P. E. Scharschmidt. This was submitted to the Department of Militia, and thence to this department by Hon. Sir Richard McBride, Premier of British Columbia. This corps was not considered by the Department to be of a naval character.

A further submission from Mr. R. H. Swenerton for the formation of a battalion

among naval volunteers for overseas military service to be given naval training, but later to be attached to the Expeditionary Forces, was given consideration. It was considered that time and expenditure would be saved if these men were to enlist with the battalions being recruited for active service.

Suggestions for the formation of a naval brigade in Nova Scotia were forwarded from Mr. Charles Archibald to the Prime Minister, and thence to this department. Mr. Archibald's suggestions were considered, but the same objections which the department met in other cases obtained. The Admiralty were, however, on a later date, requested to inform this department if they required recruits from Canada for service in the navy, to be trained in the Imperial Navy. No reply has been received from the Admiralty, and the question is therefore being held in abeyance.

Mr. E. M. MACDONALD: What date is that?

Mr. HAZEN: Some time in the last few months. Had the British Admiralty evinced the slightest desire that we should send men from this country for the purpose of serving in the British Navy, or had they, in response to our inquiry, intimated that they would like us to send men forward to assist them in their naval warfare, we would have been desirous to organize, to the best of our ability, forces for that purpose. Not only was no such information given, not only was no such request made, but, on the contrary, the documents which I have read to the House show that the British authorities had more men for the naval service than they actually required, and the despatch sent us in August, 1914, showed that they did not want us to call out the naval reserve men in this country to act as stokers, etc., in view of the large number of men in the Old Country available for the naval service. I think I may leave that question as it is at the present moment, and I think my hon. friend, when he charged us with not doing our duty in this matter, really did not understand the functions and duties of a naval brigade. Had the hon. gentleman understood that the naval brigade in Great Britain was the surplus of men organized after the navy had been fully manned, after all the ships ready for sea had been called out; had he understood that those men were formed into battalions, that they were drilled as the militia are drilled and that they fought side by side with the militia regiments—the only difference being that they were available to be called upon should their services be required for the navy—had my hon. friend comprehended all that, I do not think he would have made this attack on the Naval Department.

My hon. friend has referred to the vessels that we have at present in the naval service of the Dominion. In a few minutes I will give the House a very full statement, without going into details which should not be made public, of the work that the Naval Department has done since the outbreak of the war, and I think the hon. gentleman will see that his attack is neither well justified nor well founded. The hon. gentleman says that we to-day have no means of defence. To-day not a single troopship has, while crossing from Canada to the Mother Land, met with disaster although troopships have been going and ships have been coming ever since the thirty ships with over 30,000 men from Valcartier, the greatest armada that ever crossed the water, sailed from Quebec. Ever since our troops have been going until at the present date over 100,000 Canadian troops have been sent across the water, and there has not been a single disaster, nor a single casualty. During the same period the trade routes across the sea have been maintained in safety and not a single Canadian vessel carrying munitions of war, or goods for the British Government or for any of the Allied Governments, has up to the present met with misfortune, because we have had the protection of that navy which alone stands between us and disaster, a navy to which we have never contributed a single dollar and which the hon. gentlemen opposite prevented us from contributing to most substantially in 1913.

Mr. MACDONALD: Does my hon. friend think that, if we had sent that money over, Canada would have been in a better position than Australia is?

Mr. HAZEN: If we had equipped those three capital ships of war, we would have been doing what the British Admiralty, the best authority on the question, said was the most effective way of assisting in the naval service of the Empire. My hon. friend has gone out of his way to attack what we have done. While we have not been able to do very much in the way of actual defensive operations—

Mr. PUGSLEY: Hear, hear.

Mr. HAZEN:—we could have done a great deal in the way of defensive and offensive operations if we had had those three capital ships of war; and more than that, my hon. friends opposite, when they were in power, might have done something if they had not held up their tenders for six months in order, in the elections of 1911, to get the votes of people in certain localities by making them believe that each of those localities would be the place where the ships would be built when the contracts were finally entered into. My hon. friend opposite says that we are doing nothing; that we have only had vessels for patrol work and mine sweeping purposes. All that work has been entered upon by the Naval Department after careful consultation with the authorities of the Admiralty, with their full approval and in some cases at their request.

My hon. friend has referred to the Niobe, and he says that we have laid her up in Halifax harbour, and that she is dismantled. I will give the House the facts with regard to the Niobe and I do not think any public interest at the present time will suffer by my doing so. The Niobe was completed in 1897, and is, therefore, some eighteen years old, which in these days is a very respectable age for a warship. She was purchased by Canada in 1910, and was used as a training ship on the Halifax station. It was found difficult to keep the crew of the Niobe up to full strength, and in 1913 it was decided to reduce the crew and most of the ratings lent by the Admiralty to the Canadian Government returned to England. In the spring of 1914, when the Rainbow was commissioned for service in Behring sea, most of the Canadian ratings still on the Niobe were utilized to make up the complement of the Rainbow, and, therefore, at the opening of the war only a very few men were on the ship. A crew was enlisted made up from the Imperial ratings from the Shearwater and the Algerine, which were laid up at Esquimalt, from a few Canadian ratings, from a number of ex-naval ratings residing in Canada who were enlisted as volunteers for the war, and from Royal Naval Reserve ratings from Newfoundland.

In the spring of 1915, the Niobe, having been at sea and in continuous service for some nine months, began to show signs of wear in her machinery. It was reported that the funnels would need renewing at an early date. On examination of the machinery it was found that the boilers would very soon be in need of very large repairs, and, as the vessel had been due for a general refit for some time, it was realized that it would be necessary to lay the vessel up for a long period of time, and spend a large sum of money on repairs and refit.

It would have been necessary to have this refit made in the Imperial dockyards, which, at this time, are filled with more important work. It was considered that it would not be advisable to spend this money or devote so much time to repairing a ship which would be of little value as a fighting unit. On the other hand, it was necessary to provide at Halifax a depot for the many Imperial ratings who are continually passing through this station, and it was a matter of convenience to have a ship in which the various auxiliary services centred at Halifax could be accommodated. It was, therefore, decided to lay the ship up with a nucleus crew sufficient to keep the ship in proper condition, and with a staff of men sufficient to provide for the transient ratings. This was done after consultation with the Admiralty and with its approval.

While the number of men and officers at present entered on the books of the Niobe is about 800, only 337 of these are attached to the service of the ship; the other men compose the crews of various auxiliary ships or are engaged in the various auxiliary services at Halifax, St. John, Sydney, or elsewhere, and are borne on the books of the Niobe for purposes of discipline and of accounting. During the month of November some 450 Imperial ratings were accommodated on the Niobe. The vessel is, therefore, discharging her duties as a depot ship, and is being made useful within the limits of her present capacity. And that, at the present time, is about all she is fit for. It would not be wise policy, in view of the fact that the shipyards of Great Britain are crowded with important work, to send her across for repairs, to wait the months required to repair her, and spend the enormous sums of money necessary in order to put her in shape to enable her to go to sea again in connection with the purposes of active naval warfare.

The hon. member has referred to the Hochelaga and the Stadacona, bought last year by the Naval Department for patrol work in the gulf of St. Lawrence. These vessels have discharged most admirably the work for which they were intended. Certain repairs have had to be placed upon

them, as is the case with all vessels; but the experts of the Naval Department, on whose advice they were purchased and whose reports were submitted to me before I authorized the purchase, are thoroughly satisfied that they have done their work well, that they are good boats for the work for which they were purchased, and that they will do good work for another summer and probably to the end of the war. The statement that the captain of one of these vessels refused to go to sea in his vessel, is, as far as our department knows, an absolute misrepresentation. There is no foundation for it in fact, and not the slightest justification for any one making the statement made by my hon. friend from Pictou.

Since the war broke out the Naval Department has done a great deal of work in connection with other matters. Certain men were sent by us to England, and of these I will give a brief statement

All officers on the retired, resigned and emergency lists, with certain specified exceptions, were sent to Great Britain, their number being estimated at 50.

A considerable number of Royal Fleet Reserve, Royal Naval Reserve, and prisoner ratings, and ex-naval ratings, other than the above (i.e., men who had taken discharge at the end of the first period of 12 years' service, who had bought their discharge, etc.). There is no means of ascertaining their number, even approximately, but it probably amounts to several hundreds and may possibly have exceeded 1,000.

Two hundred officers for the Royal Naval Air Service all entered in Canada. Up to the present time, 176 have been sent to England, and are engaged in the Air Service of Great Britain, bringing credit to Canada, and doing their work well, so far as we know.

As many engine-room artificers and electrical artificers as could be obtained after considerable press publicity were obtained, and only twenty of that class of men were willing to go.

We have been asked to have lists made of the men willing to serve in the Royal Naval Reserve Motor Boat Patrol. We called for applications, and several hundred applications have been received up to the present time. We are informed by the Admiralty, who asked us to prepare a list of these men, that an officer is coming to Canada to look over the men who have applied, to examine them for their fitness and make selections from their number. In the Naval Department, we have had a great deal to do in connection with the transportation of munitions and goods for the British Government and the Allied Governments. At the present time there are seventy-five transports on the Atlantic, which are sailing under instructions from us. Between July and November fifty ships, not including timber ships, sailed from Montreal, and were given sailing orders from us. Since November 30, up to March 13, thirty-six store ships have sailed from St. John and twenty-nine from Halifax. The sailings for the near future will be two or three a week from the port of Halifax, and four or five a week from the port of St. John.

In the store and contract branch, the department has been very busy, carrying on work, not only for ourselves but for the British Navy and the navies of the Allied nations. This work has been carried on at the dockyards at Halifax and Esquimalt, and elsewhere as required. Contracts for naval stores entered into to date exceed $1,000,000 in value, and cover a very large variety of material, including provisions, clothing, naval stores of all kinds, ordnance and torpedo stores, fuel, etc. Contracts have been made on both coasts to provide supplies of fresh provisions at a moment's notice for Canadian and Imperial ships. In addition to supplies for the Canadian services, large quantities of provisions, clothing, and naval stores have been supplied from stock at the dockyards and by direct purchase to Imperial ships, and also to His Majesty's dockyard in Bermuda. The value of stock held at the dockyards has averaged well over $600,000, and the total issues, not including fuel or fresh provisions, are about three-quarters of a million to date. Supplies, not including fuel, have been made to the Admiralty for various services, including His Majesty's ships and Bermuda dockyards, to the value of approximately $200,000; to the Japanese Government to the value of approximately $30,000, and smaller quantities to the French and Russian Governments and ships of the Royal Australian Navy. Very large quantities of coal have been handled both at Halifax and at Esquimalt, amounting in the case of Halifax to approximately 150,000 tons, and in the case of Esquimalt to about 40,000 tons. Charters have been entered into with the owners of 18 vessels on the Atlantic coast for various services, including mine-sweeping, patrol and examination services and harbour defence services. In addition 14 large motor launches have been chartered

for patrol service in the gulf of St. Lawrence and on the Atlantic coast, and five for similar work on the Pacific coast. Supply depots have been arranged as necessary at convenient points on the coast for the use of patrol vessels. The arrangements entered into with the Admiralty and the acting Director Overseas Transport have been continued in force and considerably enlarged. There are now in the Canadian transport service about 75 fine modern ships carrying supplies. Up to the close of navigation at Montreal over 300,000 tons of freight had been handled by this service, and the monthly tonnage exported will reach, it is expected, 150,000 tons per month in the near future. In the month of February alone, at the ports of Halifax and St. John, 138,000 tons of freight was shipped. The Canadian Transport Service is maintained on the following basis: The Admiralty supply the necessary tonnage and advise the department from time to time of contracts entered into for delivery at Canadian ports by the Imperial Government.

This department is a medium of communication in all matters affecting the service. The acting Director of Overseas Transport has immediate charge of the organization of the loading of the ships, and the arrangements by which the material reaches the seaboard. He reports to the department the cargoes loading in each ship, which are in turn communicated to the Admiralty. These arrangements have worked smoothly and without friction. There has been little or no delay occasioned any of the ships. Contracts for coal have been maintained on favourable terms and up to December 31st, coal to the extent of over $400,000, had been purchased on behalf of this service in Canada.

In addition to the export work of the Transport Service, this department has arranged for the shipment of over forty cargoes of timber, aggregating about 125,000,000 feet, from the ports of Quebec, Gaspe, Chatham, St. John, Halifax, and from British Columbia ports, to European ports on behalf of the Imperial Government. And whereas, at one time, it was feared that it would be impossible to obtain tonnage enough to carry across the sea the munitions of war and goods required—hay, oats, and other products of Canada—that idea has been absolutely dispersed. There have been plenty of transports during the winter for these purposes, and they have been able to handle all the cargoes that the railways have been able to deliver for them at the different ports. I am sorry to have to inform the House that last night a vessel at St. John that was loaded with a cargo for Australia was burned. There were no munitions of war in the cargo and no goods for the Allies. The vessel was loaded with motor cars, carbide, paper, and other articles of commercial value. The fire which broke out some time early Sunday was supposed to have been absolutely extinguished, but early this morning an explosion occurred in the vessel, with the result that the captain was killed and the vessel sank to the bottom of the water at the face of the dock. I understand that the explosion was caused by the water that was poured into the vessel for the purpose of extinguishing the flames coming into contact with the carbide. This generated gases and caused the explosion. While the loss of life and the loss of the vessel and its cargo are unfortunate, one of the most unfortunate results is that for the rest of the season the dock, which was sorely needed for the loading of vessels to go across the seas, will be practically useless. The dock is controlled, I believe, by the Canadian Pacific Railway Company. The difficulty will be to remove the vessel before navigation opens on the St. Lawrence in order that vessels may lay at the dock and receive cargoes. The occurrence is one which is very much regretted, particularly at the present time. No injury was done to the dock or to the sheds upon it; all injury was confined to the vessel itself.

Mr. PUGSLEY: Will the minister kindly state to the House the rates of freight for merchandise which is carried upon vessels under the control of the Admiralty? How do the rates compare with what they were before the war broke out?

Mr. HAZEN: As I understand the matter, the goods to be loaded on these transports are delivered at the dock; they are then carried across the ocean for the British Government. I do not think that the rate of freight is an important consideration, because it is paid by the British Government in respect of all munitions of war and other goods sent across the water. I am speaking of transports carrying munitions of war, of which there are seventy-five, and all goods required for the British Government and for the Allies for the purposes of the war.

Mr. PUGSLEY: Do I understand that all these vessels which are under the control of the Naval Service, are owned by the British Government?

Mr. HAZEN: They are not owned by the British Government, but they have been requisitioned or commandeered by the British Government for this purpose. Vessels belonging to our own people in Canada have been requisitioned; vessels owned by companies in St. John and by the Dominion Coal Company have been requisitioned. Vessels owned all over the country, not only in Canada, but in other parts of the Empire, have been requisitioned for similar purposes.

Mr. PUGSLEY: You have nothing to do with the rate of freight?

Mr. HAZEN: No. There are vessels, too, for carrying lumber requisitioned by the British Government. I understand that in New Brunswick there is a great deal of lumber on the wharves that has actually been paid for, but which has not yet gone overseas. In due course that will be sent for and taken away. Lumber will be sent from Chatham, and from other north shore ports. During the winter large quantities of lumber are sent from St. John and Halifax for the British Government. The lumber is sold to be delivered on this side of the water—payable on delivery at the wharf—and the freight is paid by the British Government.

I did intend to-night to make a statement of considerable length to the House, in more exact terms than the statement that I have made, regarding the activities of the Naval Service Department in relation to the war since the war broke out. As the hon. member for Pictou has seen fit to attack the Naval Service and to say that it has done nothing in connection with the war; as he has seen fit to complain because we had policemen instead of naval men to guard the dockyard at Halifax, in which respect we followed the example of the Imperial dockyards; at the risk of being somewhat tiresome, perhaps I had better make this statement to the House. Perhaps no better opportunity of doing so will present itself than is presented on the present occasion. I presume that my hon. friend in making this motion was actuated not so much by a desire to have the correspondence brought down as by a desire to have the opportunity of expressing his views with regard to the sins of commission of the Naval Service since the war broke out.

[Mr. Hazen.]

Mr. MACDONALD: I did not assume that my hon. friend was going to make the statement to which he refers; I had thought that he would do that when in Committee of Supply. I did not make this motion for any other purpose than that which I stated in the few remarks that I made when I presented the motion to the House. My object was to see all the correspondence that can be brought down between this Government and the Imperial Government in regard to the reason why we are not sending men to the navy, as Newfoundland, South Africa and Australia are doing; also to ascertain the exact position of Canada on the sea today.

Mr. HAZEN: I accept at once the statement of the hon. member for Pictou, but perhaps this would be as good an occasion as any to give the House a very frank and somewhat comprehensive statement of what the Department of the Naval Service has done in relation to the war since it broke out. I may say that preparations having previously—

Mr. PUGSLEY: I should like to have Your Honour's ruling upon the question of how a general statement of what the Naval Service has been doing has to do with the motion of the hon. member for Pictou, which is:

> For a return showing a list of vessels, belonging to the Canadian Government which are on service under the provision of the Canadian Naval Act, and of all vessels not now in service and their present condition and suitability for service, and also for a copy of all letters, petitions or communications had by or with the Government in regard to the establishment of a Canadian naval brigade.

I am unable to see how the matters with which my hon. friend purposes dealing are relevant to this motion. I think it would be very much better if my hon. friend would not insist upon our exercising the courtesy which, perhaps, we should be glad to extend under ordinary circumstances, and make his statement when going into supply on the Naval Estimates, when the matter may be fully discussed. I am sure that if any private members were to proceed along the same line as that suggested by the hon. minister, you, Sir, would at once feel it your duty to call us to order; to rule that we were going too far afield in attempting to deal with the various matters that my hon. friend now purposes to deal with under this motion.

Sir ROBERT BORDEN: The hon. member for Pictou went fully into the whole

scope of the Naval Service and its alleged deficiencies. I think the minister, under the circumstances, would be quite in order in making a statement as to what the Naval Service has done.

Mr. MACDONALD: I said nothing about the commandeering of vessels, or about dockyards.

Mr. PUGSLEY: When we were discussing some matters the other day several members spoke, and my hon. friend the Minister of Labour departed from the motion before the House. I followed him, and all at once my hon. friend the Minister of Public Works, not improperly at all, suggested that we had better confine ourselves to the subject before the committee. The Chairman, although two or three members had been allowed—as no objection had been made—to discuss irrevelant matters, deemed it his duty to round us up, so to speak, and bring us back to where we belonged.

Mr. ROGERS: The hon. gentleman is entirely in error in the statement that he has just made. I called the attention of my hon. friend to the fact that he was dealing with Estimates of the Labour Department as if we were in committee, while as a matter of fact the Speaker was actually in the Chair. I simply suggested that the House be put in order; that the Speaker leave the Chair, and that we go into Committee of Supply, so that the hon. gentleman could make the five, six, seven, or eight speeches that he attempted to make and did make on that occasion. It was only to put the House in order that I made the suggestion.

Mr. PUGSLEY: Perhaps I am wrong then in saying it was the Minister of Public Works, perhaps it was the chairman who did it. At all events I know I was brought to book, even although I was following alone the lines of the Minister of Labour; the chairman thought the discussion had gone far enough and he called me to order. I could not argue that the matter was relevant to the motion before the committee, and had to yield to the ruling of the chairman. I am sure that if any private member were to follow along the lines indicated by the Minister of Marine the Speaker would feel bound, very early in the discussion, to call him to order.

Mr. HAZEN: I have no desire to violate or even to trespass on the rules of the House. But in this House I have always observed that on an application made for papers relative to any particular subject it has been open to any one speaking to the motion, to deal generally with the subject to which the papers related, and the statement I purposed making to-night as to the activities of the Naval Service would have been no more than an answer to the attack of the hon. member for Pictou (Mr. Macdonald) upon the Naval Department for its alleged lack of activity. I would submit that I am quite in order, although at the same time, if there is any doubt about it, I shall at once take my seat without dealing with that branch of the subject, as I have no desire to infringe upon the rules of the House. Perhaps, Mr. Speaker, (Mr. Blain), as you are occupying the Chair only temporarily, it would be better not to put you to the necessity of ruling on a point of this sort on which there might be some difference of opinion. I have never seen such a point taken in the House before. As a rule there has been a wish on the part of the House to allow members to deal fully with any subject before it, as long as they confined their remarks to matters pertinent or relating to the particular subjects involved in the resolution. In this resolution the subject involved is undoubtedly the activities of the Naval Service, and so I think I am strictly in order; but as the point has been taken, and as I have already occupied a greater time than I intended to I shall not press the matter at this stage. My reason for speaking at such length was the unfounded attack of the hon. member for Pictou upon the work of the Naval Department since the breaking out of the war. I will only say, on behalf of the Naval Department, that I am prepared now or at any other time to fully justify what it has done, and to demonstrate to the people of this country that that department has faithfully discharged the onerous duties imposed upon it, and that what it has done has been in the public interest, and has been done, in most cases, with the full co-operation of and after consultation with the Admiralty; and that the Department is prepared to continue to the end of the war to do all it can under existing circumstances to bring the war to a successful termination and to assist in maintaining the supremacy of the British navy upon the high seas.

Mr. PUGSLEY: When I ventured to point out to the Minister of Marine that I thought he was proposing to depart from

the resolution before the House,
10 p.m. it was not, I can assure him, and I can assure you, with any idea of permanently preventing the minister from making the fullest statement he might desire to make to the House. But it occurred to me that the proper time for such a statement would be when he comes to submit his Naval Estimates to the House, and then we would have a field day upon it. I would like to be able to talk for some little time upon that question, and I think it would not be very difficult to convince the people of this country, if we cannot convince the majority of the members of the House, that the Naval Department had absolutely fallen down so far as giving effective aid to the Empire or to Canada in connection with the war is concerned. In making his motion the hon. member for Pictou very properly called attention to the fact that when the war broke out the Niobe was out of commission. It is a fact which is known to the whole nation that at that time the tubes of the boilers had actually been filled with some sort of material to prevent them rusting, with the idea that the vessel would not be required at any time in the near future, and that all of this material had to be extracted after the war broke out, an operation which took weeks to accomplish. Thus, while, if the Niobe had been in commission, she might have performed most useful service in capturing valuable German prizes, she was absolutely of no value to the Empire. My hon. friend knows also that, in the year 1913, a report was brought down to this House having reference to the men who were on board the Niobe, and making it public that they had been, by tacit consent, permitted to discharge themselves and to leave the vessel and go out of the service of His Majesty, and that no effort was made to retain them in the service. In the report of the Department of the Naval Service for the year ending 31st March, 1914, signed by the director of the Naval Service, Vice-Admiral Kingsmill, I find this extraordinary statement, which is not at all in harmony with the statement of the minister to-night:

> The Government having decided not to continue His Majesty's ships Niobe and Rainbow in full commission, no recruiting was carried on during the year, and the programme of exercises and training laid down for these ships was not continued.

Is there there a suggestion that the Niobe was laid up because she had to go into dry dock or because she was not fit for service? There is no suggestion of that kind by Vice-Admiral Kingsmill. Yet, in the face of that report, my hon. friend said to-night that this Government knew, and had known almost since they came into office, that danger was imminent.

In 1913, the naval discussion took place in this House, and my right hon. friend the Prime Minister stated that in imagination he heard the distant booming of cannon, and the roaring of guns; that he almost felt that a great Empire war was at hand. Notwithstanding the fact that during the three years since he has pretended to this House—I do not use the word pretended in a harsh sense at all—that the Government had had for a time reason to believe that danger was imminent, we find that in respect to those two ships, one upon the Atlantic, and the other upon the Pacific, the Director of the Naval Service says that the Government having decided not to continue them in special commission, no recruiting had been carried on during the year. The result was that when war broke out, the Niobe was unfit for service. Had she been fit for service, German vessels of great value might have been seized by her, and she might have done most effective work for Canada and the Empire. But she was not in condition to go to sea, and so it was with regard to the Rainbow. From this statement, she was not fully equipped, because recruiting had not been continued, and no effective efforts had been made to keep her in full commission. Sir, had it not been for the presence in the Pacific Ocean of a Japanese cruiser which was prepared to guard the western coast of Canada, it is just possible that very serious damage might have been done to the cities upon the coast of British Columbia. Fortunately, it happened that the prediction of my right hon. friend, now the leader of the Opposition, made some years ago and when he was so strongly criticised because he attempted to come to a friendly understanding with Japan, that the time might come when the ships of Britain and the ships of Japan would be found side by side in the harbours of Victoria and Vancouver, was practically realized. It was, I believe, because a Japanese cruiser was there that we are in a position to-day to be thankful that the cities on the British Columbia coast were not attacked by German cruisers.

This report of Admiral Kingsmill proceeds—and you will see how it varies from the statement by the hon. minister to-night.

During the year, free discharge was given to those Canadians who entered the service as boys and wished to avail themselves of the offer; in addition, many of the ranks and ratings lent from the Imperial Service have completed their engagement under the Canadian Government and returned to England, without being replaced, with the result that at present the ships are only manned by sufficient crew to keep them in good order and such state that, should they be required for sea service at any time, they could be placed in full commission without undue delay.

There is no suggestion there that the Niobe was not fit to be placed in commission; no suggestion that, if properly manned, she would not be able to do effective work. My hon. friend the Minister of Marine and Fisheries has, most unfairly, I think, and in the most partisan spirit that I have seen displayed during this session of Parliament, accused the Liberal party of deliberately preventing Canada from doing her part in the defence of the Empire by providing ships of war. He has charged, most unfairly, that not only did the Liberal party do what it could to prevent the Government's naval measure from passing in the House of Commons, but that the leader of the Liberal party exercised his influence in the Senate to prevent the passing of the Naval Bill which the Government by means of the closure had forced through the House of Commons. I say that that statement is absolutely unfounded. I do not believe that either my right hon. friend the leader of the Opposition, or any other member of the Liberal party ever exercised, or sought to exercise, the slightest influence upon any member of the Senate in respect to that Bill. I venture to say that my hon. friend the Minister of Naval Affairs has not a tittle of evidence upon which to found the extraordinary statement which he has made to-night, and here, as a member of the Liberal party in this House, I challenge him to produce his authority for the statement he has made that the Liberal leader, or Liberal members of this House, went to the Senate and sought to induce the members of that body to prevent the passage of the measure referred to. The statement, Sir, is unworthy of a gentleman occupying the high and honourable position of minister of one of the most important departments of this Government. In the presence of the minister, who was not present when I made the statement a moment ago, I again challenge him to give to this House the authority upon which he made the extraordinary and unfounded statement that the Liberal leader, or any member of the Liberal party went to the Senate and used the slightest influence of any kind or description, directly or indirectly, upon members of the Senate in the action which they took upon that measure.

As my hon. friend has made a campaign speech to-night, in the most unfair way, and, as I have said, in the most partisan spirit, to influence the people of this country during this time of war and stress against the Liberal party by reason of its action with reference to the Naval Bill, let me remind him that what the Liberal party did was to propose and to support an amendment in this House which left the Government free to establish a naval unit, both upon the Atlantic and the Pacific, which would be available for the defence of Canada, and which would be at once placed at the service of the Empire in time of war. In 1913 the Bill, which this Government introduced, was defeated by the Senate, which simply adopted a resolution that before the country should make a contribution to the Imperial Government, contrary to what had been the understanding among public men on both sides in this country, the question should be submitted to the people. It would not have taken long. If hon. gentlemen upon the other side believed that the Empire was in danger, and that the granting of three dreadnoughts would be a means of saving the Empire, why did they not act upon the request of the Senate and submit the question to the people of this country? It would not have taken more than six weeks to decide the question; and yet they say that they thought it was of vast importance to the Empire that these dreadnoughts should be given. They did not dare to trust the question to the people of this country. There was something else that they did not dare to do. They did not dare to keep the promise which they had made to their Nationalist supporters in the province of Quebec. They had promised them that they would repeal the Naval Service Act. In the province of Quebec, from platform to platform, they went declaring that if the Conservative party were returned to power, almost the first step which would be taken would be the introduction of a measure to repeal the Naval Service Act. Sir, the Naval Service Act is upon the Statutes to-day, just as it left the hands of the Liberal party in 1910. As my hon. friend from Pictou (Mr. Macdonald) says: The department over which my hon. friend presides could not do anything to-day were it not for the Naval Ser-

vice Act of 1910. The Minister of Marine and Fisheries could not have done those great things which he wanted to detail to us to-night, and which I presume he will take an early opportunity of detailing to the House, if it had not been for the Naval Service Act, which he and his party declared they would repeal, and in respect to which they broke their promise to the Nationalist party, a party which has hung like a millstone around their necks, and around the necks of the people of this country from that day to this. In 1909 what did Canada agree to do? As my hon. friend has referred to the matter to-night, we might as well have it out. In 1909, at an important Imperial conference, at which were present representatives of Canada and all the other overseas dominions, it was unanimously agreed with the approval of the British Admiralty, as representing the British Government, that the overseas dominions should proceed with the creation of local navies which would serve for the defence of the overseas dominions, and of course be available for the service of the Empire in time of Imperial danger. That was the agreement to which the good faith of Canada, the good faith of Australia, the good faith of New Zealand, and the good faith of the Mother Country were pledged. Australia kept her pledge. After this war broke out, Australia's ship, the Sydney, to the credit of Australia and the glory of the Empire, won that great victory over the Emden, the terror of Asiatic waters. Does not my hon. friend know that even during the past season the two warships of Australia: the Sydney and the Melbourne, have been sailing in Atlantic waters, and have visited the ports of Halifax and St. John, guarding our coasts and guarding our trade routes. That is the part which Australia, noble, faithful Australia, is playing; Australia, which has been faithful to her Imperial pledge. That is the service which Australia has been able to render, not to her own country alone, not to the dwellers on the Pacific ocean alone, but to the Empire at large. Would that Canada was in the happy and glorious position that Australia stands in to-day. And, Sir, we should have been in that position if this Government, when it came into power in 1911, by reason of its being tied hand-and-foot to the Nationalist party of Quebec, had not made up its mind that there should be no Canadian Navy. This Government's pledge to the Nationalist party has prevented the Government from responding to the demands of Canada and the demands of the Empire, and has placed this Government and Canada in the humilitating position she is in to-day, of being far and away behind Australia in providing for Imperial defence.

Mr. ROGERS: Owing to the action of the Senate.

Mr. PUGSLEY: My hon. friend knows very well what took place with regard to the building of war vessels. I was surprised to hear him say that our Government had kept the tenders for the building of the ten war vessels dangling before the people of this country, making people of different constituencies believe that the vessels were to be built at different places in Canada, in order to secure their favour and support.

Mr. ROGERS: That is what you told us yourself.

Mr. PUGSLEY: I did not.

Mr. ROGERS: It is a matter of public record .

Mr. PUGSLEY: My hon. friend is entirely wrong. He does not know the meaning of language when he says that. What I said was that the Naval Department called for tenders for the building of ten war vessels on the Atlantic coast. The only condition attached to the tenders was that the vessels were to be built so that there would be no violation of the compact which exists between Canada and the United States. Tenders were called, and the tenderers were allowed to select their own port for building. Some tenderers were in favour of Halifax, some in favour of Sydney, some in favour of Montreal, some in favour of Quebec, and one at least was in favour of building at the port of St. John. I am referring to Cammell, Laird & Company. What I said the other night—and I am surprised that the Minister of Public Works did not take a correct view of the statement which I made—was that these tenders were necessarily under consideration for quite a period. I told him that the Minister of Marine and Fisheries took the tenders to England and consulted the Admiralty with regard to the whole question, including the reliability of the various tenderers. Almost immediately after he came back, Parliament was dissolved. We did not deal with the question, of course, during the general election, but after the election the question came up as to what action should be taken. The Minister of Marine and Fisheries, who

had the tenders under consideration and had gone over the whole matter very carefully decided that the tender of Cammell, Laird & Company was the lowest. Their tender was to build the vessels at St. John, and my hon. friend knows it well. The records prove absolutely the truth of what I say. When my hon. friend came into office he found in his department the tenders of the various companies. He found that the deposits of all the tenderers, with the exception of Cammell, Laird & Company, had been returned; their deposit being still on hand as security for the performance of the contract.

Mr. HAZEN: How does the hon. gentleman reconcile that with the statement made by his leader in Parliament; that if the Government of which my hon. friend was a member had continued in power, those vessels would have been under construction at the city of Montreal?

Mr. PUGSLEY: I beg my hon. friend's pardon, the right hon. leader of the Opposition never made that statement.

Mr. HAZEN: I beg my hon. friend's pardon, he did.

Mr. PUGSLEY: I say he did not.

Mr. HAZEN: I say he did.

Mr. PUGSLEY: I say he did not, and I can say it with a far greater appearance of truth than my hon. friend can.

Mr. HAZEN: I think those who know my hon. friend will accept my statement as truthful quite as readily as his.

The SPEAKER: Order.

Mr. PUGSLEY: When my hon. friend so far forgets himself as to tell me or any hon. member of this House that he is not telling the truth, I think he ought to be asked to sit down until he gets in a calmer frame of mind.

Mr. HAZEN: I am in as calm a frame of mind as my hon. friend. I asked him how it came that his right hon. leader made that statement and he said that his hon. leader did not make it.

Mr. PUGSLEY: He did not.

Mr. HAZEN: I say he did. I have heard him make it, and it is on the record that he made it.

Mr. PUGSLEY: My hon. friend is entirely wrong. What the right hon. leader of the Opposition said was that if this Government had gone on with the Naval Service Act there would have been war vessels built at the port of Montreal. He was referring to this Government entirely. Let me say this, further, to my hon. friend: when the minister had decided that the Cammell, Laird & Company tender was the lowest, and that they were to build at the port of St. John, no leader of mine would have been sufficiently strong or have had sufficient influence to prevent my resenting such an injustice as passing over the lowest tenderer. In that event, I would have had but one duty to perform, namely, to have gone back to my constituents and surrendered to them the trust which they had reposed in me, and said that I could no longer support a leader who could do such a rank injustice to any part of this country. Therefore, if I had been in my hon. friend's place, coming into office as Minister of Marine and Fisheries, the man who must initiate proposals to his colleagues, if I had submitted that proposal showing that Cammell, Laird & Company were the lowest tenderers proposing to establish a great shipyard and to build warships in my own constituency, if my leader then had said to me, as his leader must have said to my hon. friend the Minister of Marine and Fisheries: "Oh, we cannot go on with the building of warships because we are pledged to the Nationalist party of Canada not to do it; Mr. Minister, you must return to Cammell, Laird & Company their deposit"—What would have been my duty? It would have been to have left the Government, resigned my seat, and told the people of St. John that my constituency had been treated with rank injustice by my leader, and that I could no longer support him. Cammell, Laird & Company proposed to build at the port of St. John ten war vessels, four of them cruisers, three, I think, torpedo boat destroyers, and three of another class. My hon. friend knows that they were, because he has in his department all the papers, including the tender of Cammell, Laird & Company, from which he will see that every word I state is absolutely true. A considerable time before the war broke out, they would have had, under the contract, at least two cruisers afloat prepared to do their part for the defence of Canada and of the Empire, because they were to have had two cruisers completed in three years and the whole contract completed in six years, Even although it would have been in the comparatively small city of St. John that the shipyard would have

been established, would it not have been a glorious thing for Canada that we would have had the vessels afloat; that we would have been in the same position as Australia is in to-day, that we would have been taking our part in the defence of our trade routes, protecting our transports and doing that work which Great Britain and Australia are to-day compelled to do for us? Would it not have been a glorious page that Canada would have written? And perhaps if we had had two of those cruisers afloat, they might have performed deeds just as magnificent as those which the Australian ship Sydney performed on the Pacific ocean.

Mr. GRAHAM: What about the submarines?

Mr. PUGSLEY: The Government would also have been saved the necessity of buying those submarines, in regard to which my hon. friend made to the British Government a statement which must disturb his conscience whenever he thinks of it, and which Mr. Plaza, the naval expert of the Chilean Government, said had not a tittle of foundation. My hon. friend will find on record that he sent a cablegram to the British Admiralty stating that the Chilean Government found themselves unable to take over those ships. I do not say that he deliberately misled the British Admiralty, but he was misled by that astonishing statesman who, for so many years, ruled the destinies of British Columbia, and who left that fair and rich province which, a few years ago, was supposed to have boundless resources, on the very brink of poverty and bankruptcy. It was that statesman who sent my hon. friend that telegram which caused him to mislead the British authorities. Had he not been so misled, he would have been saved the necessity of going through that experience of buying for $1,150,000 two submarines which were to be built for the Chilean Government at a contract price of only $818,000, which were obsolete and incapable of passing the examination, and which the Chilean experts had rejected.

Mr. HAZEN: I thought those cruisers were for use on the Atlantic.

Mr. PUGSLEY: Those cruisers would have been available at whatever part of the coast of Canada it was thought desirable to place them; they would have belonged equally to all parts of Canada and they could have been sent wherever the Canadian Government or the British Admiralty thought well to send them. What position would Canada have been in were it not for what the Liberal party had done when it was in power? I called attention the other day to the entire failure of this Government to do anything to encourage the building of mercantile ships in Canada. They have seen, week after week, and month after month, since this war began, the shipping of Canada declining and the rates of transportation upon our wheat, cattle, and lumber going up by leaps and bounds, until to-day they are a thousand per cent greater than when the war broke out. My hon. friend knows what opportunities there are for building ships upon both the Atlantic and the Pacific coasts, and yet this Government are not taking a single step to encourage the building of ships. What have they done so far as war vessels are concerned? Were it not for the ship-repairing and shipbuilding plants established at the port of Montreal by Vickers, Maxim & Company, under a contract which I made with that firm when I was Minister of Public Works, there would not be a single war vessel constructed in Canada since the war began. But owing to what we did there, Vickers, Maxim & Company have been able to repair war vessels as well as mercantile ships, and under a contract amounting to $10,000,000 given by the British Government to that much despised Fore River Shipbuilding Company, which my hon. friend three years ago said was in bankruptcy, that firm came ever, and, through Mr. Schwab, the millionaire, made an arrangement with Vickers-Maxim, under which a number of submarines were, within six months, constructed at the port of Montreal. I am proud that I, as Minister of Public Works in a Liberal Government, was the means of creating that magnificent establishment, which is an honour to the port of Montreal and a credit to the people of Canada, and which has been doing effective work for the Empire since the war began. We have a pretty good record in that respect, whereas the record of this Government could be shown upon one page, which, after you had written the whole record, would be absolutely blank. It is no pleasure to me to refer to these matters; but just before I take my seat I want to say that it is not a pleasing spectacle to have gentlemen on the other side, one after another, saying: "Oh, this is a time for party peace; this is a time when no one should criticise the Government, when no one should seek to create amongst the people of this country any want of confidence in this Government," and then to have my

hon. friend, one of the most influential members of the Government, make the most partisan speech which I have heard in this House for a number of sessions, raising the old issue of the naval question, charging us, as I have said, with improperly influencing the Senate and preventing that most extraordinary, and, shall I say, most iniquitous measure from becoming law. But let me tell the hon. gentleman that if he and his Government are determined to make these attacks upon us and upon our action in the past, which action we believe was influenced by patriotism and a sense of the duty we owe to this country and the Empire, we shall be prepared to meet them. He tells you, Mr. Speaker, that his Government could not have been wrong in 1913 because what they proposed to do had the full approval of the British Admiralty. And who was the spokesman for the British Admiralty at that time? Mr. Winston Churchill, the gentleman who is supposed to have brought disaster upon the British forces at the Dardanelles, the gentleman who is held by many of the best-thinking people in England to be largely responsible for many of the disasters that have befallen the British Empire since this war began. He is the gentleman who actually thought that we could not build ships in this country because a firm foundation was required upon which to lay the keels—a statement that seemed to be approved by the Prime Minister, because he read Mr. Churchill's letter to the House, and apparently with approval. The right hon. gentleman (Sir Robert Borden) also read to this House, apparently with approval, the statement of Mr. Churchill that we could not build ships in this country because, forsooth, we required rivetters, and he did not know that there were any rivetters to be got in Canada. Then too—ye gods! think of it, Mr. Speaker—this gentleman, upon whose statement the Minister of the Naval Service relies, said that we could not build war vessels in Canada because cranes would be required lifting as much as a hundred and fifty tons. Why, even in the railway shops at Moncton you can find cranes that will lift the 90-ton locomotives as I would lift an envelope, and put it wherever it is required. Yet, the insuperable objection to building warships in Canada, according to Mr. Churchill, was that we had not heavy enough cranes. He is the gentleman who asked this Government to go back upon what Canada and Australia had agreed upon in 1909, and to reverse the naval policy of the Empire. And this is the infallible statesman upon whose judgment they felt safe in relying, and so placed the country in the humiliating position in which it stands to-day. I regret it, and I think all the best people in this country regret it also.

Sir ROBERT BORDEN (Prime Minister): I do not purpose to follow the hon. gentleman (Mr. Pugsley) in his attack upon Mr. Churchill. That right hon. gentleman is eminently capable of speaking for himself, and his record of accomplishment for the naval defence of the Empire will dwell in the memory of men, long after the futile and inconsiderable efforts of my hon. friend from St. John, shall have passed into deserved oblivion. I would like to correct him, however, in saying that the memorandum which was placed before this Parliament in the autumn of 1912 was from Mr. Churchill. It was not from Mr. Churchill but from the Lords Commissioners of the Admiralty, and the Lords Commissioners of the Admiralty consist of the First Lord and at least four or five Sea Lords. They are technical men who are supposed to know, and who I have no doubt do know, probably as well as my hon. friend, the needs of naval defence throughout the Empire, and the best course to be taken by any dominion of the Empire for giving the assistance which was then suggested. My hon. friend has endeavoured to pump up a little enthusiasm about the course he and his friends took in 1912 and 1913. He found it very difficult indeed to create any enthusiasm in his own mind, and still more difficult to create even the semblance of enthusiasm among the hon. gentlemen who sit behind him. But I think this may at least be said for the hon. gentleman that he is entitled, perhaps more than any other of them, to the glory, or whatever it may be, of preventing three Canadian dreadnoughts from flying the British flag to-day and assisting in the defence of the Empire. If he is still disposed to take pride in this—as apparently he does, for he said that the measure proposed by this Government for that purpose was one of the most iniquitous measures ever presented in this House, thus glorying in the defeat of the attempt to enable Canada to participate in the naval defence of the Empire—he is entitled to all that glory if it is any satisfaction to him. It is a remarkable spectacle for an hon. gentleman on that side to rise and ask why Canada was doing so little at the present time in

the naval defence of the whole Empire. If the measure which my hon. friend from St. John (Mr. Pugsley) so deliberately and persistently obstructed, had passed the Senate, there would have been, a year ago, three ships, as powerful as any in the world, ready to assist the rest of the Empire's Navy in preserving the common rights and institutions and liberties of the whole Empire. That there is no such ship to-day is due to my hon. friend from St. John and to is friends, and to no one else. And when he suggested there was an alternative proposition from the other side of the House in amendment to the Government measure, he conveniently forgets that the amendment proposed to postpone any action whatever until after a general election should be held in Canada.

Mr. PUGSLEY: I do not think I proposed that, nor that any one else proposed it.

Sir ROBERT BORDEN: Does not the hon. member remember the terms of the amendment?

Mr. PUGSLEY: I do not think that was in it.

Sir ROBERT BORDEN: He may not think so, but that does not alter the fact that it was in it. His memory is not so good on this as on some other points. I have a distinct recollection that the proposals offered by hon. gentlemen opposite involved the postponement of action until after the general election.

Mr. PUGSLEY: Has the right hon. gentleman the record there?

Sir ROBERT BORDEN: No, but I will get it.

Mr. TURRIFF: Did not the Prime Minister say that if his proposition was not accepted by the House, he would appeal to the country on it?

Sir ROBERT BORDEN: I had said before, in the autumn of 1910, that I would do precisely what I did, that is, invoke the advice of the Admiralty and bring their advice to Parliament as a temporary measure. I went to the Admiralty and obtained their advice; that advice was given to the Parliament of Canada by the Lords Commissioners of the Admiralty in these words:

> The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering, after a prolonged consideration of all the circumstances, that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

I brought that proposal to the House not as a permanent measure, but as a temporary measure. I told the House at that time that before the Government of Canada brought down a permanent measure for the co-operation of Canada in the naval defence of the Empire, we would submit a proposal to Parliament and to the people of Canada in order that they might know what the proposal was, and in order that they might exercise the right which they undoubtedly had of passing upon that proposal. That was a very clear, definite and plain proposal; one which we endeavoured to carry out so far as we were enabled to do so in the face of the opposition of hon. gentlemen on the other side of the House. Further than that, in 1914, immediately before the war broke out, we had made arrangements, in connection with the formulation of a permanent policy that Admiral Sir John Jellicoe, now commander in Chief of the British Fleet, should come to Canada for the purpose of consulting with us. Everything was arranged as to his visit here except the exact date, but the breaking out of the war in August, 1914, prevented him from coming to Canada, as he had immediately to assume the responsible duties of Commander in Chief of the British Navy, which otherwise he would not have assumed until the following November or December.

Hon. gentlemen on the other side of the House may very properly desire to recede somewhat from the attitude which they took in 1912 and 1913. The hon. member for St. John showed a disposition to do that to-night. Hon. gentlemen were very merry in 1912, 1913, and 1914 at the idea that any danger confronted this Empire. If any hon, gentlemen on this side of the House, having regard to the conditions, which were pretty well understood in Europe, and fairly understood, perhaps, on this side of the Atlantic as well, ventured to address a word of warning to the people of this country as to the necessity of Canada's doing something to aid in the common defence of the Empire, his remarks were the subject of merriment and of jest on the part of hon. gentlemen on the other side of the House, and by no one more than by the hon. member for St. John, who vigorously applauded his leader when only six and a half months before the outbreak of the war the policy

and the view of the Liberal party were expressed by the right hon. Leader of the Opposition in these words:

I do not charge any intention of deceit on the part of the Prime Minister in this regard, but I will charge deceit if, in the face of this evidence, we again hear of such a thing as an emergency.

That was six and a half months before the thunderbolt of war came upon this Dominion and this Empire. The right hon. gentleman continued in these words:

The German peril has disappeared, if, indeed, there ever was such a thing.

An absolute assurance to the people of this country, given upon what evidence I do not know, that there was not the slightest danger of war between our Empire and Germany. Then he continued:

We know now how much the country and the Empire and the civilized world has been deceived upon that question of so-called emergency.

My hon. friends on the other side of the House are not prepared to cheer these words now as they did cheer them at the time that they were uttered. I well remember the thunderous applause which greeted every line that I have read when these words were uttered by the right hon. gentleman who leads the Opposition. Then he continued as follows:

The Bill which was brought in last session, the Naval Aid Bill, was not even a measure of emergency, although it was so-called. They introduced it upon the shallow pretence of emergency.

Tremendous cheers from hon. gentlemen on the other side of the House at that time —but a depressing silence at present. Then the right hon. gentleman continued:

Emergency? Who speaks to-day of an emergency? Twelve months have passed since my right hon. friend the Prime Minister introduced his measure. Twelve months and more have passed since that time when he saw the German peril. He saw Germany almost ready to jump at the throat of Great Britain.

And when my right hon. friend the leader of the Opposition reached that point in his remarks, his speech was interrupted by deafening applause which prevented him from continuing for some moments. Then, referring to myself, he continued as follows:

He saw clouds on the horizon, rent by lightning, and heard the murmurs and rumbling of cannon. But my right hon. friend to-day may live in peace. The climate is moderate and the sky is clear.

And within six and a half months after these words were uttered and that vain assurance had been given by the right hon. gentleman who leads the Opposition, this Empire was involved in the present struggle. The right hon. gentleman continued his remarks in the same strain. On many other occasions during that session the leader of the Liberal party and almost every hon. gentleman on the other side of the House used similar language. They jested at the idea that there was any danger, that there was any emergency, that there was any need. More than that, they said that the navy of Great Britain did not need any assistance. But the hon. member for Pictou this afternoon was greatly distressed because, as he asserts, the navy of the British Empire, although it has been increased beyond measure since the war broke out, is unable to discharge adequately the task of maintaining control of the seas and of protecting our commerce and our shores.

Let me give another illustration of the views of the hon. member for St. John, as expressed at that time by his leader. On March 15, 1913, hen the debate upon the Naval Aid Bill of 1912 had proceeded for several months in the face of unparalleled obstruction, this was the language of the right hon. gentleman who leads the Opposition:

When, some few months ago, in the earliest days of this session, members who support the Government were told that there was an emergency in the affairs of Great Britain, and that Great Britain should receive the assistance of this country, they did not suspect, I am sure, that before the last vote would be taken they would have in their hands absolute evidence of the falsity of the assertion which was then made.

That is a fair statement of the attitude which hon. gentlemen took on the other side of the House. I observe that the hon. member for Rouville is in his seat. I wonder if I could find an extract from his observations at that time. Perhaps they might be more productive of cheers and applause than those which I have read from the speeches of his leader. This is a very pregnant utterance of the hon. member for Rouville; I particularly invite attention to the closing sentence:

There seems to be at work, not only in England, but in Great Britain, silent forces with the object of subduing, or reducing if possible, the greater freedom of the self-governing countries. Those silent forces have been at work very insidiously for the last fifteen or twenty years, never so actively as during the last five or ten years.

The present policy of the Government is said to be the outcome of an emergency.

My hon. friend was endeavouring to bring up the ghost of autonomy, and this

was an attempt to prove that the building of three dreadnoughts by Canada to aid in the common defence of the Empire, the placing of those warships at the disposal of His Majesty the King for that purpose, subject to recall by the people of Canada whenever they chose to recall them, was in some way a destruction or an impairment of our autonomy. The word autonomy was greatly in the mouths of the hon. gentlemen opposite at that time—and I do not wonder that the hon. member for Rouville (Mr. Lemieux) smiles now at the folly of the words which he then uttered. He goes on to say:

> That emergency was invented by those silent forces in order to obtain what they have been aiming at during the last twenty years.

You understand the suggestion. There was not any emergency, there was not any danger, there was not any peril. The assertion of danger and peril were due to the influence of those silent forces in Great Britain and in Canada which were aiming to destroy the autonomy of this Dominion. But the last sentence of all is really the gem of that particular utterance:

> If you read the press to-day you can scent, so to speak, an alliance between Great Britain and Germany.

I do not think that my hon. friend, with all the olfactory powers which he possesses, is able to scent very much of such an alliance to-day. Then, again, the hon. member for Rouville devoted himself to the question in one of the numerous debates which took place:

> The so-called emergency has petered out.

Mr. LEMIEUX: Is it not a fact that at that time, or shortly before, Lord Haldane and Mr. Winston Churchill himself went to Berlin for the purpose of getting a closer alliance with Germany?

Sir ROBERT BORDEN: Yes, it may be so, and in connection with that visit to Berlin it ought also to be remembered that the British Admiralty, consisting of the First Lord and of those technical and naval advisers with him who knew what the conditions were, had asked us to

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provide three of the most powerful battleships in the world for assistance in the common defence of this Empire. My hon. friend said:

> The so-called emergency has petered out. I am afraid that the right honourable gentleman is under the influence of the scare-mongers of Great Britain—Well, after all, there is no danger.

[Sir Robert Borden.]

My hon. friend was perfectly ready, without money and without price, to give this assurance to the people of Canada.

> We have the panic-mongers of to-day trying to agitate the dominions; but the papers of yesterday give us the information that, far from fearing a war with Germany, His Majesty the King of Great Britain is sending the Prince of Wales to spend the Easter holidays at Berlin. The emergency and the panic are good for the children, but they will not appeal to the true Britisher or the stout hearted Canadian. All this is being engineered by some interests who control a certain press.

And we have had some information since the outbreak of war as to the message which Lord Haldane brought back from Berlin and as to the view which impressed itself upon the statesmen of Great Britain as the outcome of that visit. My hon. friend has no doubt seen some utterances of the Prime Minister of Great Britain on this subject, made in Wales more than a year ago. I have not the slightest doubt that the message which came to us from the British Government, through the Admiralty, was to some extent influenced by the very fact that the British Government knew more than they thought it discreet or prudent to reveal to the public of Great Britain, but which they did partially reveal to us, not only in the document laid on the table of the House, but in a certain other document which was communicated to some other hon. gentlemen on the other side of the House and which said far more than the document which has been made public in this country. And it was with that knowledge that certain hon. gentlemen on the other side of the House took their stand upon this question with a view of preventing the people of Canada, the Parliament of Canada, the majority of the Commons of Canada, from carrying out a proposal which as I believed then, and believe now, was undoubtedly in the best interests of this Empire, and which constituted a duty that the people of Canada at that time owed to the whole Empire for the purpose of its common defence. Then my hon. friend (Mr. Lemieux) on the 9th day of June, 1914, a little more than a year before the war broke out, said this:

> Last year he (Sir Robert Borden) brought forward his contribution policy to meet an emergency which did not exist, and which has burst like a bubble. That policy made Canada the laughing stock of Great Britain and of all the other Overseas Dominions.
>
> Who thinks of his emergency to-day? I dare say that not one of his blatant jingoes of the city of Toronto believes in that emergency to-day. It was a scare-line policy to recoup the

jingo capitalists of Winnipeg, Toronto, and Montreal, who had financed the Tory party in 1911 against the farmers, the taxpayers of Canada.

No more mention is made of the $35,000,000; the Admiralty does not want our gold any more, the trick has been played out.

These are samples of the manner in which hon. gentlemen opposite met a proposal which was made in absolute good faith by the present administration to the Parliament of Canada. We went to Great Britain asking fairly, definitely, carefully, for the best opinion of the experts of the Admiralty and of the British Government as to the course which Canada ought to take, having regard to the possible necessity of some immediate steps being necessary for the common defence of this Empire. We came back with that document exactly as they had handed it to us and placed it before Parliament, and based our measure on it. I could give a great many more extracts illustrating the position that hon. gentlemen opposite took with regard to it. Those I have given are, I think, enough. I venture to say that in these circumstances it does not lie in the mouths of hon. gentlemen opposite to reproach this Government at least with the fact that we have not been able upon the ocean to play the part that Canada, in common with Australia and New Zealand, ought to have played in this great war. When war broke out, or very shortly after, in 1914, I communicated with the British Government as to what they desired us to do in this respect. Sir John Jellicoe was not able to come to Canada by reason of the fact that it was necessary for him to assume at once the command of that great fleet which has kept its vigil in the North sea, and which has maintained so close a guard that, with very infrequent exceptions, the whole German navy has been shut up in the Baltic or in the Kiel canal. As I say, Sir John Jellicoe was not able to come, but I did communicate with the British Government. I asked them this question: We are proposing to give you every assistance in our power for the purpose of bringing this war to an honourable and triumphant conclusion; is it your desire that we should endeavour to assist in naval affairs, or do you desire that we should confine our efforts to raising forces in order that we might assist you in that way. The answer which I received from the British Government was this: They preferred that the effort of Canada should be devoted to the raising of military forces, to dispatching them across the ocean, to sending them with the other forces of the Empire to meet the enemy at the front. And for that reason, since the opening of the war, we have not embarked upon any proposal to acquire ships, or to do anything in a great way in the naval line. We have devoted our energies and our efforts to raising military forces according to the expressed desire of the British Government.

So, we have a very clear conscience as to our efforts in this war; a very clear conscience as to the effort which we made in 1912-13 to assist in the naval defence of the Empire by the provision of the three ships. That effort, unfortunately, was not successful, for the reasons which I have mentioned. But in the line along which our efforts in this war have been directed, I venture to think that, during the past 18 or 19 months, we have accomplished very much more than any one of us would have believed possible on the 4th day of August, 1914. We sent, in the first instance, within six weeks after the outbreak of the war, 30,000 men, and, within about two months of the time when hostilities broke out, they were across the Atlantic. Since that time, the total enlistments in Canada have run up to 275,000 men, and the troops have gone forward, fully armed and equipped and in most cases, organized in every branch of the service. More than that, when they have gone to the front, they have shown themselves worthy, both of the great cause for which they are fighting, and of this Dominion which sent them forth to do battle, not only for the liberties of Canada and of the Empire but for the liberties of the whole world.

Mr. W. F. CARROLL (South Cape Breton): It is perhaps rather unfortunate that at this stage of the session, this particular question should have aroused such partisanship in this Assembly. I am not going to say who may, or who may not have been in fault in promoting this partisanship. My hon. friend from Pictou has moved a resolution asking:

For a return showing a list of vessels, belonging to the Canadian Government which are on service under the provision of the Canadian Naval Act, and of all vessels not now in service and their present condition and suitability for service, and also for a copy of all letters, petitions or communications had by or with the Government in regard to the establishment of a Canadian naval brigade.

The most of us know fairly well what that list of vessels is, and the most of us also know that that list of vessels is too small for Canada at the present time. The

right hon. leader of the Government has made a very serious charge against the hon. member for St. John. He has charged that hon. member with having obstructed the promotion by the Government of its naval policy. He said further that had it not been for the hon. member for St. John, this country would, at the present time, be represented in the British Navy by three dreadnoughts, which would be of great assistance to the Motherland.

May I make a charge against the Government? May I charge the Government with being remiss in their duty in not having this country defended at the present time by seven fast cruisers, with the usual auxiliaries to cruisers? May I charge this Government with negligence in this matter, because if they had followed the programme laid down in the Naval Act, and by the Liberal Government in 1911, we would have had our coasts guarded at this present moment by seven fast cruisers and the necessary auxiliaries? My hon. friend the Minister of Marine and Fisheries has spoken of emergencies, and from the hand-book which he held in his hand, and which, I have no doubt, was intended for the use of Conservative speakers during the campaign which it was thought would probably take place some time ago, he quoted from speeches of hon. members on this side of the House to the effect that there was no emergency. What did all this talk of emergency mean? Where did the emergency exist? In the naval debate in this House, and I watched it very carefully, the emergency was supposed to be in the North sea, and this Government proposed to meet that emergency by giving three dreadnoughts to the British navy. Has there been an emergency in the North sea since this war commenced? Is there an emergency in the North sea to-day? Are the dreadnoughts and cruisers of Great Britain not quite capable of handling any emergency that exists in the North sea to-day? At the present time, the battle ships of Germany are imprisoned in the Kiel canal, thanks to the efficiency and capability of the British Navy in the North sea. If there is an emergency at the present time in regard to the navy of the Empire, that emergency exists off the coasts of Canada, because it is a notorious fact that, since the war commenced, the coasts of Canada have not been defended.

My hon. friend spoke of the British Admiralty having prepared a memorandum which had been brought down in this House. But that was not the first memorandum from the British Admiralty that had been brought down with regard to the Empire's defence on the seas, and to the defence that would be contributed to the Empire by the overseas dominions. In 1910 or 1911, there was a conference in Great Britain, and a memorandum was drawn up. My hon. friend from Pictou in the session of 1911, asked this question:

> Has there been any change made in the terms of the memorandum of the Conference between the British Admiralty and the representatives of Canada and Australia as set out on page 461 of the Minutes of the preceding Imperial Conference of 1911?

And the answer is, "No." That answer was given in this House on November 29, 1911. What was that conference? I am not going into that question, but I want to say that the naval policy of the late Liberal Administration was recommended by the British Admiralty. For proof of that, I have to go no further than the words of the Minister of Marine and Fisheries. In the session of 1911 I put certain questions on the Order Paper with regard to the Naval Service Act. Question 3 was: "Were the plans for these proposed vessels submitted to and approved by the British Admiralty?" And the answer was: "The plans were prepared by the British Admiralty." And, that was the policy of the Liberal Administration in this country. If there is an emergency in the British Navy to-day, the emergency is for young men to take the place of those who have been in the service for years, whose heads are hoary and bodies weak from length of service. The British Admiralty are calling for recruits to fill up vacancies in the British Navy. What is the Minister of Marine doing to fill that need? What did the Naval policy of this Government in 1912 do towards meeting that emergency? We are not giving men to Great Britain for the Navy, not a single one. The urgent need of Great Britain to-day is not ships in the North Sea, but men for her navy, and fast cruisers to protect the coasts of Canada. This perhaps is not a very fitting time to enter upon a discussion which in years past has been of the most partisan character ever seen in this House, but the subject is up and it is just as well for us to have a heart-to-heart talk about it. If the Liberal policy had been carried out--and there was no change in it, there is no change in it to-day, except that the present Government refuses to build ships under the Naval Service Act—

it would not have been necessary for this Government to buy two submarines which were refused by the Chilean Government, to protect the shores of British Columbia. This Government would not have been in the humiliating position of having to depend upon the cruisers of Japan for the protection of our Pacific coast, or of having to accept the services of private individuals in this country to fit out the only cruisers we have in this country which are capable of escorting Canadian troops overseas to fight the battles of the Empire. Canada's great need to-day is cruisers to convoy our troops across to England, and if the Liberal policy had been carried out by the present Government as it should have been carried out, at the present time we should have cruisers on both our Atlantic and Pacific coasts, and we should be able to escort our troops across ourselves. Nor should we have to depend upon the cruisers of Japan for the protection of our Pacific coast. But, apart altogether from these two different naval policies, I charge that this Government has not done its duty since the war began. I charge it with not having undertaken to get from the ship-building firm in Montreal submarines which would have guarded our coast, instead of buying submarines which, in the opinion of men in this and other countries who are in a position to know, are no good. At the present time there is in the city of Montreal a ship-building firm which is turning out submarines good enough for Great Britain to buy. Does the Minister of Marine think that he is doing his duty as a responsible minister of the Crown in this crisis, by sitting idly by and not getting that ship-building concern in the city of Montreal to build submarines for the defence of our coast? This firm is perfectly capable of building first-class submarines. The submarines they turn out are so good that they can travel from Canada to the Motherland under their own power.

The assistance which this Government proposed to give under their naval policy is not the assistance which the Mother Country requires to-day. We need no more dreadnoughts in the North Sea or on the coasts of France and England; but we do need fast cruisers on the coasts of Canada, to do for this country what the Sydney and the Melbourne are doing for Australia. It must have been a matter of pride to the Australians when, after a search of weeks and weeks by the cruisers of the British Admiralty, the Sydney—the fulfilment of the policy outlined and approved by the British Admiralty in 1910; located and destroyed the Emden, the greatest scourge to British commerce in this war. Do not my hon. friends on the Government benches believe, in all seriousness, that it would have been better for Canada and the Empire if they had carried out the policy that was agreed upon at the Imperial Conference in 1910? We should then be in the position of Australia; our coasts would have some protection, which they have not at the present time.

I am not aware that this Government has asked our Canadian boys to enlist in the British Naval Service. My hon. friend from Pictou put a question on the Order Paper some time ago asking what has been done in that regard, but I have not noticed that any answer has been given up to the present time. If this Government does not ask for recruits to fill up vacancies in the British Navy, I say they are not doing their duty in the present crisis. New Zealand has done it; Australia is doing it with regard to her own navy, and South Africa has sent from 8,000 to 10,000 naval reservists to the British Navy. But Canada has done nothing. It is true that Canada is doing a great deal in the way of raising military units, and that Canadians are doing well as regards recruiting. But I venture to assert that there are along the coast of the Pacific, and along the shores of the Maritime Provinces, thousands of people who do not care to enlist in the Canadian Expeditionary Forces, but who would jump at a chance of getting into the British Navy, and serving the Empire in that way. The British Navy needs them, and I say that the Minister of Marine and this Government will not be doing their duty until they help supply this need. I do not say that they do not want to do it. I do not say that they are disloyal, or that they the unaware of the fact that these men are needed; but to one who has followed the political history of this country for the last four or five years, it does seem passing strange that nothing has been done in that regard. Is it to fulfil an engagement that the Government, previous to 1914, had with the Nationalist party of this country that there would be no recruits from the province of Quebec or elsewhere to fill vacancies either in the Canadian navy or in the navy of Great Britain? I am not going to make the charge, but people, who have studied this question and who have watched events in connection with our naval policy, may well be suspicious that such is the case.

My hon. friend from Annapolis (Mr. Davidson) said the other day that the

Niobe and the Rainbow were dismantled because they were of no use. But, I think we have it from the lips of the Minister of Marine and Fisheries, in an answer which he made last session to a question, that the Niobe was doing splendid work guarding the coast of Nova Scotia; that she was in splendid condition, thanks to himself and his department; and that she was one of the best cruisers on the Atlantic coast. It must strike Canadians, and certainly Nova Scotians, as passing strange to see this same Niobe, which the minister said last year was doing splendid work in patrolling our coasts, tied up to-day at a wharf in Halifax with some kind of a house built on her deck with sleeping rooms for landlubbers. If the Niobe was a good ship and performed splendid work a year ago, why is she thus relegated to the scrap heap at the present time? I did not have the pleasure this evening of listening to the speech delivered by the Minister of Marine and Fisheries, and I do not know whether he has given any explanation; but if he has not done so, the people of Sydney, Halifax and of every other port in the province of Nova Scotia are demanding an explanation and will bring him to an accounting for having thus relegated the Niobe to the scrap heap in Halifax harbour.

There is one thing which my hon. friend the minister has excelled in. While he has allowed the nucleus of the Canadian navy to go to the dogs, he has not neglected those people along the shores who had motor boats fifteen or twenty feet long; he has sent those boats down to the coast of Newfoundland for what purpose I do not know, unless for the purpose of drawing salaries for the crews' and day's wages for the boats, because they could not be of any benefit in the world for defence or offence, unless it be offensive to see them run around our shores, with their crews coming occasionally into the harbours and having a good time. It is current gossip—I do not know how true it is—that the owners of these motor boats are each receiving $75 a day. The people of Nova Scotia are looking at this matter with ridicule. What earthly good could a motor boat be in Newfoundland, of all places? If the minister had allowed those boats to run in and out of Sydney or Halifax or some of the other harbours, it would not have been so bad. Those boats were not able to cross to Newfoundland under their own steam, but were taken across on the little ship Margaret. Yet, the minister has those vessels on his list for the defence of Canada! Mr. Speaker, you should have seen them and you would certainly rest secure in your home down in Cumberland county to know that there were being carried back and forth between the city of Sydney and St. John last summer on board the little cruiser Margaret, two motor boats, one about fifteen feet keel and the other about eighteen feet keel. What they did after they reached Newfoundland I know not, but it must have been a source of great relief to yourself and to other loyal Nova Scotians to know, that for at least two months those two boats were carried back and forth on three occasions on the deck of a snug little cruiser called the Margaret. It must have been a great relief to the British Government to know that this Government had made such wonderful strides in the defence of our Canadian coasts and I have no doubt that the names of these boats, with the names of other valuable assets, which the Minister of Marine and Fisheries made to his naval brigade last summer, will appear on the list if this motion passes for the production of the names of those vessels.

The question as to who was right and who was wrong in 1911, whether or not the Government knew that there was going to be a war, and whether the Opposition did not know there was going to be a war, is one that perhaps will never be decided during the lifetime of the present generation or of the next, but the fact is that we have in this country to-day to meet conditions which confront us. The fact is that our Canadian shores are undefended, and while the Premier has charged the Opposition with being responsible for the absence of three dreadnoughts from the Imperial navy, I want to charge this Government with having our coasts on the Pacific and on the Atlantic undefended, owing to the fact that they did not carry out even partially the policy of the late Administration. If the Government saw war clouds; if they knew that war was coming, they were making very little preparation for it. The Niobe, to which the minister a year ago gave a good character as being one of the best cruisers on the coast was then, as she is now, tied up to a wharf in the port of Halifax, and I understand that the Rainbow is in the same position on the Pacific. If they saw the war clouds; if they knew the war was coming, and that there were German cruisers along our coasts, they were remiss in their duty if they did

not at that time—without waiting until the war was on, to buy two submarines that were worthless—provide a shipbuilding firm to build and equip submarines which could be of use in defending both the Atlantic and the Pacific coasts of this country.

Mr. OLIVER J. WILCOX (North Essex): My hon. friend from South Cape Breton during the course of his remarks stated that he did not hear the speech of the Minister of Marine and Fisheries. I feel sure that had he had the privilege of listening to that speech, he would never have been guilty of making the speech he did because the minister answered every allegation put forward by my hon. friend. It is to be regretted that at this time in the history of our country when we are involved in a gigantic struggle, this Government and its supporters, who are burdened with responsibility—

Mr. MACDONALD: What is worrying my hon. friend?

Mr. WILCOX:—such as no Government has been burdened with since Confederation, or probably ever will be again after this war is over, should have, day after day and night after night, to defend most vicious partisan attacks, that are entirely uncalled for. I do not propose—though I suppose I could make as great a noise as some of our hon. friends opposite—to enter into a lengthy debate on this question, but I do want to answer a point or two that have been raised in this discussion. My hon. friend from Cape Breton South (Mr. Carroll) and my hon. friend from Pictou (Mr. Macdonald) raised the old bogey of the Nationalists again. They do love to try to associate this Government with the Nationalists. Well, whatever else may be said, one thing about the Nationalists is absolutely sure, and that is that in the naval measure the Nationalists allied themselves with the members of the Opposition. The Government side committed themselves to a policy of strengthening the naval defence of the Empire, and the Liberal party said that should not be done, and that was the position that the Nationalists took also. So, on this question, they sleep in the same bed.

My hon. friend from St. John (Mr. Pugsley) stated that the right hon. leader of the Opposition had never said that the Canadian navy, as proposed by the late Government, would be built in Montreal Here are the words of the right hon. gentleman as reported in Hansard of 1913, volume 1, page 1034:

> Yes, we thought as the general elections were coming, that it would not be fair, in a matter of this kind, which was at issue between the two parties, to award the contract, in case there might be, as there was, a change of government. I say now that the Government in power would have been better advised if they had awarded the contracts, and, had they done so, we would at the present time have under construction on the stocks in Montreal, four cruisers and six destroyers.

Here is a very distinct statement by the leader of the Opposition that the total number of ships embodied in his Bill would be constructed at Montreal; and this, notwithstanding the fact—and I am surprised to think that the Liberals would do this—that in practically every constituency where there was water the prospect was held out to the electors that these boats would be built in that constituency. So far was this carried that in a meeting in Collingwood the opponent of the hon. member for North Simcoe (Mr. Currie) alleged to the electors that these boats would be built in Collingwood. When the hon. member spoke after his opponent, and told the electors that the Welland canal was not large enough to let the boats out of Lake Erie, his opponent was on the horns of a dilemma It all goes to prove that the thing was a political scheme from beginning to end.

Mr. ROGERS: Does the hon. gentleman mean to say they were not going to build even one in St. John?

Mr. WILCOX: Not one, they were all to be built in Montreal. But during the election they were to be built where the most votes were to be had. So the statement of the Minister of Marine and Fisheries was absolutely right, and the hon. member for St. John was wrong, as he generally is. Now, it is getting late, and I move the adjournment of the debate.

Mr. MACDONALD: I desire to say a word or two before the motion is carried.

Mr. ROGERS: Does the hon. gentleman want to go on?

Mr. MACDONALD: Yes, I would like to say a few words.

Mr. WILCOX: I withdraw my motion.

Mr. MACDONALD: When I presented this motion it was with the idea that this country was entitled to do something to assist the navy of the Empire in this war,

and I felt that in so far as the results of the Naval Service Department's efforts in this matter on the Atlantic seaboard were concerned, they were entirely inadequate. My hon. friend the Minister of the Naval Service (Mr. Hazen) proceeded to raise the old question of the naval policy which was so thoroughly threshed out three years ago. He even ventured to make the statement, which is made by the unthinking in this country, that if Canada was not doing anything for the navy in this war the fault lay with the Liberals. He entirely overlooked the point raised by my resolution. The speech of the right hon. the Prime Minister was enough to surprise any old member of this House who can remember the speeches of the right hon. gentleman in 1909, when he declared that it was time for Canada to begin the construction of a Canadian navy. He went up and down that province justifying that position, and telling the people of Nova Scotia that this was the hour of destiny for them, that because of the adoption of a policy of speedy construction of a Canadian navy there was to come to them once more the maritime supremacy which they formerly enjoyed. That was the declared policy of the Opposition of that time, when the gentlemen representing the Liberal Government went to Great Britain in pursuance of the resolution which the right hon. gentleman had supported. Those representatives made the arrangement with the Admiralty, and that arrangement was made by Australia at the same time. The Australians went back to enter upon the carrying out of the policy which was agreed upon, just as Sir Wilfrid Laurier came back to Canada to enter upon the policy agreed upon with him.

When I hear these flambuoyant speeches from the Minister of Naval Service and the right hon. Prime Minister, I wonder if they spoke to the Right Hon. Mr. Hughes, Premier of Australia, who went through this country a month ago, and whom they made a member of their Privy Council, in regard to the question as to whether or not a policy of contribution, so far as naval matters are concerned, is the correct one. I am afraid that if hon. gentlemen admit the Right Hon. Mr. Hughes to their conferences on the naval question very often, there will be a very marked division of opinion amongst them, because the Right Hon. Mr. Hughes glories in the fact that he was the father of the Australian navy idea. If these gentlemen who thought that Australia was no good, that she could not send any men, that she could not build any ships, had asked the Right Hon. Mr. Hughes as to what is the proper policy for Canada and as to what was the proper policy in 1911, he would have expressed an opinion which would cause hon. gentlemen to realise that the speeches of the Minister of Naval Affairs and of the Prime Minister this evening were entirely beside the mark; he would have said that he, at least, did not believe in the policy of contribution. The Prime Minister of this country does not believe in a policy of contribution. He will not stand up in this House and say that when he pronounces what he always calls his permanent policy, that policy is bound to be a policy of the construction of Canadian ships, built right here in Canada and manned by Canadians. In the absence of the Prime Minister, I say to the Minister of Marine and Fisheries that I defy the right hon. gentleman, since this question has been raised by him and his minister to-night, to stand up when the Naval Estimates are under discussion, and say that he is opposed, as the permanent policy in Canada in the matter of naval affairs, to the policy which Australia and every other overseas dominion has adopted. If he will not do so, what is the use of hon. gentlemen trying to wave the flag? What is the use of their beating tom-toms and going round the country talking about what they would have done? In 1910 the right hon. gentleman who leads this House discovered that some political fruits might be gathered through the assistance of the hon. member for St. Antoine and one or two other gentlemen who could, by money and other methods, make a deal with Mr. Bourassa, the Nationalist, in the province of Quebec, to continue the propaganda against Sir Wilfrid Laurier. That hon. gentleman, so far as the policy of construction is concerned, has laid low. He never attacked it, never denied it at any time during all his career; nor has he ventured to do so to-night. There are sitting behind him in this House to-day twenty-six men who are opposed to all kinds of naval assistance to Great Britain. The right hon. gentleman in 1911 took into his Cabinet three men who were pledged to this same thing. He has been juggling with that Nationalist combination ever since, trying to placate them, trying to keep the tail from wagging the dog. The right hon. gentleman says we should play the part that Australia played, while he

knows in his heart as well as anybody does that the reason why we did not play the part that Australia played may be attributed solely to him. He is the man who prevented us from playing the part that Australia played. When history is written on this question; when men look at these things with clearness and certainty, entirely apart from political prejudice, the attitude of the right hon. gentleman will be made clear. Why, he was in the hole after 1911 in respect of this Nationalist combination, to whom it is said he pledged himself against doing anything in the way of a Canadian navy—which was the objectionable thing in their minds—although he had voted for it in 1909; and he had to get up something to take its place. From the remarks of hon. gentlemen opposite, one would almost think that the right hon. gentleman, with the vision of a seer, had known that this war was going to come about— that there was to be an assassination in Serbia, and that events were to follow in the Balkan countries by which the war should be commenced.

Mr. LEMIEUX: They knew it all.

Mr. MACDONALD: Of course; they had heaven-born inspiration which gave them knowledge of all these things. Yet some months after the war began there was a good deal of talking about whether Great Britain was right in taking part in this war; reams of documents were written and printed to satisfy British people the world over that Britain was right in entering upon this war. All that was done to convince the public mind as to what we should do in regard to this matter. Speaking in the City Temple in London on November 10, 1914, Mr. Lloyd George made this declaration at a time when there was matter of argument in Great Britain with reference to the war:

> When this war broke out, we were on better terms with Germany than we had been for fifteen years. There was not a man in the Cabinet who thought that war with Germany was a possibility under present conditions.

Lloyd George, of course, knew what he was talking about. If the British cabinet did not think that war with Germany was a possibility, then the hon. Minister of Naval Service and the right hon. Prime Minister of Canada, if they knew about all these things, knew more than the people in Great Britain. If that be the case, they must have had a wonderful second-sight. Yet they say to the people: we knew this war was coming; hence it was that our policy of contribution to please the Nationalists, based on an alleged emergency, was the right policy. I was absolutely surprised at the right hon. Prime Minister to-night when, the question having been raised by the hon. member for St. Johns as to what the Liberal policy was in 1913, he said: we had included in our resolution the condition that anything that was to be done was to be subject to the approval of the people of Canada. I am going to put on Hansard the amendment submitted at that time by the right hon. gentleman who leads the Opposition, so that there will be no question about the matter. It is to be found on page 1038 of Hansard of 1913, and is as follows:

> That all the words after the word 'That' be struck out, and the following be substituted therefor:—
>
> 'This House declines to concur in the said resolution and orders that the same be referred back to the committee with instructions to amend the same in the following particulars, namely, to strike out all the words after clause (a) and substitute therefor the following:
>
> The memorandum prepared by the Board of Admiralty on the general naval situation of the Empire and communicated to this House by the right hon. the Prime Minister on December 5th shows that several of the most important of the foreign powers have adopted a definite policy of rapidly increasing their naval strength.
>
> That this condition has compelled the United Kingdom to concentrate its naval forces in home waters involving the withdrawal of ships from the outlying portions of the Empire.
>
> That such withdrawal renders it necessary that Canada without further delay should enter actively upon a permanent policy of naval defence.
>
> That any measure of Canadian aid to Imperial naval defence which does not employ a permanent policy of participation by ships owned, manned and maintained by Canada and contemplating construction as soon as possible in Canada, is not an adequate or satisfactory expression of the aspirations of the Canadian people in regard to naval defence and is not an assumption by Canada of her fair share in the maintenance of the naval strength of the Empire.
>
> This House regrets to learn the intention of the Government to indefinitely postpone the carrying out by Canada of a permanent naval policy.
>
> It is the opinion of this House that measures should be taken at the present session to give effect actively and speedily to the permanent naval policy embodied in the Naval Service Act of 1910 passed pursuant to the resolution unanimously approved by this House in March 1909.
>
> This House is further of the opinion that to increase the power and mobility of the Imperial navy by the addition by Canada under the above Act of two fleet units, to be stationed on the Atlantic and Pacific coasts of Canada, respectively, rather than by a contribution of money or ships, is the policy best calculated to afford relief to the United Kingdom in respect to the burden of Imperial naval defence, and in the words of the Admiralty memorandum to re-

store greater freedom to the movements of the British squadrons in every sea and directly promote the security of the dominions; and that the Governement of Canada should take such steps as shall lead to the accomplishment of this purpose as speedily as possible.'

That was the policy of the Liberal party in 1913. That is the resolution which we debated in this Parliament during the long session. And to-day, if that resolution had been adopted and if this Government had been true to the statements made by their own leader and by the Minister of Trade and Commerce, whose impassioned utterance in 1909 as to Canada's duty to enter actively upon the line of naval assistance will always be remembered by those of us who were here, had they been true to themselves and followed that policy of ours, which was the Australian policy, we would not need to have the Sydney and the Australia defending our Atlantic coast to day; we would have had ships of our own doing it. But what had these hon. gentlemen to do? All they had to do was to go on under the provisions of the Canadian Naval Act placed on the Statute book in 1910. All they had to do was to ask Parliament to vote $35,000,000 to be expended under its provisions and not by way of contribution. But my hon. friends were afraid of the Nationalists and did not venture to do that. Had they, in 1913, asked Parliament for a sum of money to be spent under the provisions of the Canadian Naval Service Act of 1910, the money would have been voted. They knew that but they did not do it. What did they do? They did nothing in 1913.

12 midnight. Now, in 1916, we learn for the first time that the Premier of this country asked Sir John Jellicoe, in 1914, to come out to Canada. Mark you, this gentleman who knew all about the war coming on, who was certain about it, was proceeding with such leisurely haste in regard to the matter that, doing nothing at all of any kind in 1913, not buying or building submarines, not buying or building vessels in any way, he leisurely suggested to Sir John Jellicoe, on the eve of this war, which he knew was coming on, to come out to Canada and talk over the question of what? Of an emergency assistance? Not at all, but of the permanent naval policy of Canada which he was going to enter on in 1914! If hon. gentlemen, in view of these facts, which cannot be denied and which are simply a repetition of history, expect to be able to presume on the credulity of the people of this country,

[Mr. Macdonald.]

to such an extent that they will believe that the Premier had any information in 1914 that this war was coming on when he was leisurely going to talk over the situation with Sir John Jellicoe as to the permanent naval policy, they overestimate the credulity of the Canadian people.

My hon. friend says that if their resolution had been passed there would have been three dreadnoughts in the North Sea. Would there? We would have had to go to England and borrow the $35,000,000 and hand the money over to the British Government and say to them: Please, Mr. Government, we are entirely an inadequate people in every way, we are not to be compared with the overseas Dominion of Australia which has gone ahead and done its own financing and its own business, but please lend us $35,000,000, Mr. Britisher, and then take it and build our ships for us! That was the proposition, when they could have voted the money and built the ships themselves for the common defence. But they were playing to the Nationalists on that proposition. If they had laid down the keels of the vessels in 1913, under the provisions of the Naval Service Act, we would have had vessels that would have been of some use as coast defence vessels in this country to-day, and we would have had something of real value in the present situation. One does not need to follow in this House the story of this naval question in order to arrive at a clear view of the situation. When I hear the Prime Minister of this country stand up in this Parliament and declare that the position he took in 1909 was incorrect when he stated that what we should do was to stand for a speedy construction of a Canadian navy, when I hear him doing that frankly as a public man, then I will believe he has changed his opinion. But he has never done it up until to-day. He has talked about contributions and about emergencies and all that, but he has never expressed this change of opinion, because he is expecting some day, when he has a permanent policy, to adopt the policy of the Liberal party to this matter.

This expression was entirely beside the proposition which I submitted to the House. My right hon. friend, through juggling with words, attempted to make the House believe on the question of whether we should recruit men in Canada for a naval reserve, that Great Britain did not want men to be recruited in Canada for the navy. If that was his idea he was trying to lead this House along lines which were incorrect. What did he do? He took 250 men from the

Royal Navy Reserve out in British Columbia and he put them on these vessels on the Atlantic. They were on the Niobe two months ago. To-day he is calling for recruits out in Vancouver in order to fill up that reserve. Why is he calling them if they are not wanted? What is the meaning of this statement, for instance, that was made by Dr. Macnamara on the floor of the British House of Commons? Dr. Macnamara was asked by Mr. Bellaire, the well known naval writer, who was in the British House of Commons, as to what South Africa was doing and he said:

> The offer of the services of a number of the South Africa Royal Naval Volunteer Reserve was gladly accepted by the Admiralty, and the men are now attached to the Royal Naval Division in this country. It was understood that they wished to serve as a unit representing their corps.

Did the Prime Minister ever make to Great Britain the offer which was made by Cape Colony in that respect? What does it mean that Australia has sent so many men to serve in the British Navy? What did it mean when Newfoundland, the colony adjacent to my province, sent 1,600 men to serve in the navy? These men are not reservists, as my hon. friend says. Some of them were reservists, but numbers of them came from the outports, who were simply sailors, fresh from the sea, who went over and enlisted in the navy in preference to enlisting in the army. And why did they want to go into the navy? Simply because the sea appealed to them. The navy proposals in regard to pay and allowances were not as attractive as those of the army. My hon. friend will tell me that Cape Colony made an offer of men which was accepted. Australia made an offer of men which was accepted, and so did Newfoundland. Does my hon. friend the minister mean to say that if we had offered the same kind of men for the vessels of the British Navy that our offer would have been refused? I will wait to see the papers which my hon. friend has promised to bring down before I believe anything of the kind.

We have heard a great deal about the Niobe. I want to say just a word or two in regard to that vessel before I conclude. In the first place, let me say that the Niobe is a first class cruiser of 11,000 tons. She was built in 1909, and her armament consisted of 16 6-inch guns, 12 12-pounders, 3 3-pounders, and 2 machine guns. We are told that she is old and obsolete. My hon. friend the Minister of Naval Service (Mr. Hazen) rolled like a sweet morsel on his tongue the statement made by Commander Roper that these vessels, the plans of which had been prepared by the British Admiralty in 1911, and for which the contracts could have been let in October, 1911, by the minister himself, would be obsolete before they could be constructed. If that statement is true, then nearly the whole British navy is obsolete. It is a statement which could be made in regard to every vessel that is over two or three years old, to every vessel, that is to say, that was constructed prior to 1910 or 1911. That is the proposition of the hon. minister.

Mr. ROGERS: The ships which the British Admiralty built to take the places of our three dreadnoughts are not obsolete.

Mr. MACDONALD: They have been built within the last three years, and they were not built to take the place of my hon. friend's dreadnoughts at all.

Mr. ROGERS: Yes, they were.

Mr. MACDONALD: The British Admiralty simply proceeded in the ordinary course to construct those vessels.

Mr. ROGERS: Will my hon. friend permit me to put him right? A question was asked by Mr. Arthur Lee in the British House of Commons on 5th June, 1913, and in reply Mr. Churchill said:

> The situation created by the rejection of the Canadian Naval Aid Bill requires immediate action in order that the margins of naval strength necessary for the whole world protection of the British Empire may be adequately maintained for the autumn and winter of 1915, and in the spring of 1916. In these circumstances, the Government have determined to advance the construction of the three contract ships of this year's programme, and orders have been issued by the Admiralty which will ensure their being begun at the earliest possible date instead of in March next.

Mr. MACDONALD: My hon. friend knows what that meant. It simply meant that the Admiralty intended to build three ships after my right hon. friend the Prime Minister went over there and said: We will give you three ships, or rather we will borrow the money for you; and, when the British Admiralty found that he was not going to borrow the money, they had to build three ships in order to carry out their original programme.

Mr. ROGERS: They built them, and they are not obsolete.

Mr. MACDONALD: What I was pointing out was that the theory of my hon. friend the

Minister of Marine and Fisheries that, because Commander Roper told him that the vessels, the plans of which had been drafted by the Admiralty in the winter of 1910-11, would be obsolete before they could be constructed, would apply to every vessel which was constructed previous to three or four years ago.

Mr. GRAHAM: If he told the truth.

Mr. MACDONALD: I was speaking of the Niobe, and I have some figures here which I have taken from the Naval Annual. Take first the first and second class cruisers. How many of these do you suppose, Mr. Speaker, there are in commission in the British Navy that are older than the Niobe? There are 35 of them. How many naval vessels of the same class as the Niobe, and built in the same year, are now in commission in the British Navy? Seven, all built in the same year, and of the same class exactly. How many armoured ships older than the Niobe are there in the British Navy? There are no less than ten built at dates running back to 1895. They are as follows:

Caesar, 14,900 tons, completed in 1897; Hannibal, 14,900 tons, completed in 1897; Illustrious, 14,000 tons, completed in 1898; Jupiter, 14,900 tons, completed in 1897; Magnificent, 14,900 tons, completed in 1895; Majestic, 14,900 tons, completed in 1895; Mars, 14,900 tons, completed in 1897; Prince George, 14,900 tons, completed in 1896; Renown, 12,350 tons, completed in 1896; Victorious, 14,900 tons, completed in 1897.

There are 47 ships as old or older than the Niobe in the British Navy to-day. Taking cruisers, there are :

Arlus (3,600), completed in 1893; Astraea (4,360), completed in 1894; Barham, completed in 1890; Brilliant, completed in 1893; Cambrian, completed in 1894; Charybdis, completed in 1895; Crescent (7,700), completed in 1894; Diana (5,600), completed in 1898; Dodo (5,600), completed in 1898; Doris (5,600), completed in 1898; Eclipse (5,600), completed in 1897; Edgar (7,350), completed in 1893; Flora, completed in 1895; Forte, completed in 1895; Fox completed in 1897; Gibraltar (7,700), completed in 1894; Grafton (7,350), completed in 1894; Hawke (7,350), completed in 1893; Hermione (4,360), completed in 1895; Hussar, completed in 1895; Iris (5,600), completed in 1898; Juno (5,600), completed in 1898; Minerva (5,600), completed in 1897; Pelonis, completed in 1897; Philomel, completed in 1892; Royal Arthur, (7,700), completed in 1893; Sappho, completed in 1893.

One of these cruisers is the Hawke, which distinguished herself in one of the few naval battles which took place in the British Channel. She was built in 1893 and she is only 7,350 tons, or more than 4,000 tons less than the Niobe. As far as armament and equipment are concerned, she did not begin to compare with the Niobe.

Then of vessels of the same class as the Niobe, all of 11,000 tons, built between 1896 and 1898, there are the following:

Amphritite, 11,000 tons, launched in 1898, completed 1900; Andromeda, 11,000 tons, launched in 1897, completed 1900; Argonaut, 11,000 tons, launched in 1898, completed 1900; Ariadne, 11,000 tons, launched in 1898, completed 1900; Diadem, 11,000 tons, launched in 1896, completed 1899; Europa, 11,000 tons, launched in 1897, completed 1899; Spartiate, 11,000 tons, launched in 1898, completed 1902.

These vessels were built about the same time as the Niobe, and have the same armament, and all of them are sailing the seas while some of them have been in action during the present war. The only trouble about the Niobe was that she was sent out here while a Liberal Government was in power in Canada. The fact is that in the British Navy to-day there are 47 vessels older than she is.

With regard to size, there are 87 first-class vessels set out in the Naval Annual as having a smaller tonnage than the Niobe and they are all in commission to-day in the British Navy, though older than the Niobe.

Let us compare her with one or two of the vessels which defended our coasts last summer. Take the Berwick, 9,800 tons. She has smaller guns than the Niobe. The Carnarvon is of 10,850 tons, or some 250 tons less than the Niobe, and, with the exception of four 7.5 guns, she had not as heavy an armament. Then there are the Cornwall, the Cumberland, the Essex and the Suffolk. These names are all familiar to those who have read the newspapers All of them are cruisers of 9,800 tons; all are of the same armament as the Niobe, or even lighter, and nobody has ever heard of them being called no good. The Glory, for instance, the flagship that was out here last year, was 12,000 tons, or a little more than 1,000 tons bigger than the Niobe. Her armament was practically the same as the Niobe's, except that she had in addition four 12-inch guns. The Leviathian was a 14,100-ton boat; she had a couple more guns than the Niobe. The fact is, then, that the Niobe is larger than five of the vessels which comprise the North Atlantic squadron defending our coast to-day. Furthermore, when hon. gentlemen came into power in 1911 the Niobe was larger than any vessel in the navies of Denmark, Greece, Holland, Norway, Sweden, and Portugal, and yet hon. gentlemen opposite

who claim to be the repositories of everything that is patriotic in this country, have done nothing since the Niobe came to Canada except to declare that she was of no value whatever, and that it was a disgrace that she was ever sent out here by the British Government. Well, I have given the Niobe's history. My hon. friend says that her boilers were bad. I wonder what has become of the boilers of these other eight or nine vessels that were built at the same time and which are now fighting the battles of the Empire.

It does seem to me that I had very ample grounds for calling the attention of the House to the situation to-day with regard to our Naval Service. If hon. gentlemen opposite had this wonderful prescience in regard to the war, if they knew it was coming, why did they sit down and do nothing after the verdict of Parliament in 1913? Parliament rose in the spring of 1913. These gentlemen who had it in the back of their heads that war was coming on did nothing at all to prepare for it, either on land or on sea. Was it that they wanted to play politics? Because they wanted to act upon the suggestion which seems so gratifying to the Minister of Public Works, that because the proposition had been turned down, they need do nothing but play politics with it? What were they doing from the spring of 1913 to August 1914, and what have they done from August 1914 down to the present? As the hon. member for South Cape Breton (Mr. Carroll) has said, the only vessel in Nova Scotia that is any good to-day is the one that was given to this Government. Does it mean that because the policy of contribution of hon. gentlemen opposite was turned down and they did not wish to adopt the alternative policy of construction in Canada, they decided to sit down and do nothing; that no matter how long this war is going to last they will not initiate some method of building ships in Canada to protect our coast? As the hon. member for South Cape Breton has pointed out, when the British Government wanted ten submarines last summer, they bought them from Vickers-Maxim, Montreal, and we in the Maritime Provinces saw them floating across the ocean to the other side. Why do not hon. gentlemen opposite do something of that kind? Why do they not encourage conditions in Canada under which we could construct vessels of some kind to defend Canada on the sea? They have not done anything. And that is why I moved the resolution. I moved it to call the attention of the people of this country to the failure of the Minister of Marine to do anything in the way of providing a defence for Canada upon the sea, and for the purpose of calling attention to the fact that while Australia, Cape Colony and Newfoundland are sending men to take part in the naval battles of the Empire, the best the Minister of Naval Service can do is to send word around to the boys who run motor boats that in a while, when somebody comes out from England to make the necessary arrangements, they will be given a chance to recruit. There are many young men in Canada just waiting for an opportunity to recruit. I submit that that is the situation to-day so far as Canada is concerned. The question as to who was right in 1913 in regard to the whole problem will be settled, and settled right, before many years are over. When ever the Prime Minister of this country has the nerve and temerity to propound a permanent naval policy in this country, that permanent policy will be the adoption of the Liberal policy in 1913. We on this side of the House are perfectly prepared to await the judgment of the people on that question; we know what that verdict will be. But to-day, when my hon. friend from Cape Breton is going away to take his part in the battles of the Empire, as he has decided to do in the past ten days, and when all our other young men are coming forward to bear their share, let us forget the old struggle for a moment, and consider whether we have done our part on the sea since 1913. I think this discussion has disclosed the fact that we have not done our part and that it is time the Minister of Naval Service began to realize that we should be doing something in this direction.

Motion of Mr. Macdonald agreed to.

On the motion of Mr. Rogers for the adjournment of the House:

Mr. GRAHAM: What business to-morrow.

Mr. ROGERS: We shall take up any Bills that are on the Order Paper, and then go on with the Shell Investigation resolution. I hope we shall make more progress to-morrow than we have to-day, which we might consider as a day wasted. Otherwise we shall have to sit much later than in the past if we are ever going to get to the end of the session.

Mr. GRAHAM: I think this can hardly be called a day wasted. For instance, the Minister of Marine and Fisheries has had an opportunity to make that speech of his over again, and we like it. It is not a day wasted. The people of the country like to know the mind of public men on these great questions. I do not belong to that class of people who do not like these discussions. I am sure I enjoyed the discussion immensely, particularly the speech of my hon. friend from Pictou, and I think if the Minister of Public Works will revise his view, he will come to the conclusion that a day like to-day has not been wasted.

Mr. ROGERS: Let us hope that to-morrow will be better.

Motion agreed to, and the House adjourned at 12.27 a.m. Tuesday.

Tuesday, March 14, 1916.

The House met at Three o'clock, the Speaker in the Chair.

SOLDIERS' PENSIONS.

Sir ROBERT BORDEN laid on the Table, in accordance with an order of the House passed on March 13, 1916, a copy of the pension list in force in Canada for disabled soldiers, and the petitions, letters and other documents relating to the amendment or readjustment of the same.

On motion of Sir Robert Borden, the said papers were ordered to be printed forthwith, and were referred to a committee composed of Messrs. Green, Hazen, Lemieux, Macdonald (Pictou), Macdonell (South Toronto), Oliver and Scott, to consider and report upon the rates of pensions so authorized, the establishment of a permanent Pensions Board, and other matters relating thereto or connected therewith.

PRINCE EDWARD ISLAND FERRY SERVICE.

On the Orders of the Day:

Mr. J. J. HUGHES: I am in receipt of a number of letters and telegrams in regard to transportation between Prince Edward Island and the mainland. These letters and telegrams, which are pretty strongly worded, are to the effect that the efforts made to bring the car ferry steamer Prince Edward Island to Charlottetown are not successful; that the steamer is being injured by the strenuous work to which she is subjected in going through the ice; that the mails are delayed; that travelling is hampered; that trade is tied up, and that apparently a few people in the capital are the cause of the trouble. Charlottetown is the centre of population in Prince Edward Island, and, if the steamer can make trips to that point, that is the place where she ought to call; but if she can not and can make daily trips to Georgetown, it would be wise to have her call there. I would like the minister to consider the matter, because the people are greatly inconvenienced. They allege that the steamer is being injured, and that by some means or other pressure is being brought to bear upon the department to have the steamer call at Charlottetown.

Mr. HAZEN: The same instructions have been given to the captain of the car ferry Prince Edward Island that have been given in previous years to the captain of the Minto or whatever boat was maintaining the winter service. Those instructions were to continue the service to Charlottetown so long as it was practicable to do so, having regard to weather and ice conditions, and if it was found impossible to maintain that service, then to have the vessel go to Georgetown. Thus the matter is left, as I understand it, in the hands of the captain of the boat. It may be that the steamer now goes less frequently to Georgetown than in previous years; but this, I suppose, is owing to the fact that the Prince Edward Island is a stronger ice-breaker than the boats formerly engaged in this service. I understand that the Prince Edward Island has missed only one daily trip during the present winter, and that by reason of a heavy snowstorm which prevailed, and it has missed the railway connection only on seventeen days. I will make inquiry into the statement that has reached the ears of my hon. friend, that the ice conditions being encountered in going to Charlottetown are so serious that the boat is being somewhat damaged. If that is the case, it would be a strong reason why the boat should be diverted from her present route and put upon the Georgetown route.

Mr. HUGHES: I suppose, Mr. Speaker, I should be in order to state the information I have received, which does not agree with that received by the minister. I have been informed—

Mr. SPEAKER: I would call the attention of the hon. member to the rule.

Mr. HUGHES: The point I wish to state is not controversial.

Mr. SPEAKER: If it is the desire of the House that the hon. gentleman should speak, I have no objection; but I would call the attention of the hon. member and of other hon. members to the practice as explained at page 476 of Bourinot:

> Questions have been asked, when the orders are called, relative to the state of public business or other matters of public interest: but no discussion should be allowed when a minister has replied to a question, nor after a member has made his personal explanation.

Of course if no objection is taken to the hon. member speaking, I shall raise none.

Mr. HUGHES: It is a personal explanation.

Sir ROBERT BORDEN: Could not the hon. member give the information to the minister?

Mr. HUGHES: I would rather give it now, if I am permitted.

Some hon. MEMBERS: Order.

Mr. HAZEN: If my hon. friend will send me a memorandum stating the information he has, I will have the matter looked into at once.

INTERCOLONIAL RAILWAY CAR SHORTAGE.

On the Orders of the Day:

Mr. LEMIEUX: I would like to call the attention of the acting Minister of Railways to the car situation on the Intercolonial railway. Yesterday I received from a large firm dealing in lumber and pulpwood in Quebec City a letter, from which I will read two or three lines:

> We thought we would drop you a line in regard to the car situation on the Intercolonial railway. For the past two months we have been supplied with very few cars for our pulpwood shipments to the States and when we have received cars, in some cases they have remained on the sidings where loaded for several weeks waiting to be moved.
>
> The Intercolonial railway officials give as their excuse that the weather conditions were very unfavourable and that they are very short of power to move both empties and loaded cars, and in consequence it is impossible for them to do anything.

Can my hon. friend give me some information with regard to the car shortage and can he alleviate it in any way? Because I understand from this letter that the situation is very serious and that the lumbermen especially are very much hampered in their shipments on this account.

Mr. REID: I am aware that there has been a little trouble on the Intercolonial, but not more, perhaps not as much as on the other railways throughout the Dominion. The hon. member knows that during the last month or six weeks, not only the Intercolonial, but almost every other railway in Canada has been tied up by the great snow storms. The Intercolonial as done good work in pushing traffic through as well as it has done in spite of the snow blockade. The motive power has been used largely to get the passenger trains through, and the trains conveying troops. In addition to that, munitions and war supplies have been given the right of way. It is absolutely necessary to get that freight through to load the transports waiting at Halifax and St. John. For these reasons, local freight has had to be delayed a little more than would have been the case otherwise. In Montreal the yards, not only of the Intercolonial but of the Grand Trunk and the Canadian Pacific, have been filled to their utmost capacity with cars held up by the blockade. I received a telegram yesterday from the general manager of the Intercolonial, and have asked for one to-day, dealing with the situation. In yesterday's message it was stated that the Intercolonial was clear, was running 175 cars a day, and anticipated no more trouble. I feel sure that the trouble with regard to local freight will soon be overcome. The people along the line must have a little patience on account of the absolute necessity of moving war supplies. I think the hon. gentleman will agree that war supplies and munitions must take precedence.

LOCAL FREIGHT AT CHATHAM, N.B.

On the Orders of the Day:

Mr. LOGGIE: As a matter of importance, I would like to draw the attention of the Acting Minister of Railways to a letter I have received from my home town, Chatham, N.B., to the effect that the station-master there has instructions not to receive freight for local points. One of the important shippers there required to send supplies to Blackville, a town twenty-five miles away on a branch line, but the station-master refused the freight. The grievance that this letter expresses is that freight is being received at Newcastle station billed to the same point, Blackville. The shipper claims that he is at a disadvantage. I would ask the minister if he would give instructions that the town of Chatham be treated in this regard as liberally as other towns.

Mr. REID: I will have the matter looked into. The same reply that I gave to the hon. member for Rouville (Mr. Lemieux) applies to this.

Mr. LOGGIE: Chatham is on a branch line.

Mr. REID: We will try to have it put on the main line, so far as freight is concerned.

HOUSE OF COMMONS READING ROOM.

On the Orders of the Day:

Mr. J. J. HUGHES: I desire to call the attention of the Government, or whomever is responsible, to the use made of the reading room by members. It is quite a common practice for members to take away newspapers and keep them in their rooms. Those in charge of the reading room have no means of knowing who have possession of any newspapers so taken. If the reading room is for the benefit of a few members, I suppose this method is all right, but if it is for the benefit of the members generally, the newspapers ought to be there at all reasonable hours, at any rate. I believe that those who want newspapers in their rooms should subscribe for them. I merely call attention to this matter, as the evil seems to be growing. It has become worse since we moved to this building, notwithstanding that the facilities for reading in this reading room are better than in the old building.

Mr. SPEAKER: Orders will be given to the curator which will put a stop to the practice complained of.

Mr. OLIVER: I find that a number of the newspapers in the reading room have important articles clipped from them. That is something that does not reflect credit upon the members of the House who are guilty of it.

RELIEF OF GRAIN CONGESTION.

GRAIN ACT AMENDMENT BILL.

On motion of Sir George Foster, Bill No. 58, to amend the Canada Grain Act, was read the second time, and the House went into committee thereon, Mr. Rhodes in the Chair.

On section—1 power of Board to order supply of cars:

Sir GEORGE FOSTER: I explained the purpose of this Bill to the House the other day, and asked the members from the northwest who were particularly interested in it to consider it in order that, if possible, it might be passed with expedition when next taken up. It is a matter of moment; quick action upon it is necessary. Those members who heard my explanation the other day will understand the purport of the Bill. In a few words, its purpose is this: a large amount of grain in the West, particularly in some of the most congested districts, has not the benefit of warehousing or of elevator storage; it is simply lying in the fields. A great deal of this grain is in bins without floors. As long as the weather continues bright and cold, even if snowy, the grain will suffer practically no injury, but as soon as a thaw takes place the snow which is upon the grain will melt, and the grain will be liable to speedy damage. Car-order arrangements are matters of enactment. In section 207 of the Grain Act, after what you may call the standard arrangements for car-ordering are set forth, certain discretion is given to the Board of Railway Commissioners. That discretion is contained in four lines. The present Act says:

> The board may in its discretion order cars to be supplied contrary to the provisions of this part, (a) to elevators that are in danger of collapse; (b) to places where grain is damp and thereby liable to become damaged, (c) for the purpose of distributing seed grain to any point in the western division, and (d) in cases where the operator of any country elevator reports in writing under oath that some portion of the grain in such elevator is heated, and that in order to preserve such grain it is necessary to ship such heated grain to a terminal elevator for treatment.

The provision (b) allows discretion to the board in cases where grain is damp. The purpose of this amendment is to give the Board of Grain Commissioners discretion to order cars for the carrying of this grain in cases where it is liable to damage.

Mr. GRAHAM: Will that work in harmony with the amendment to the Railway Act which was passed the other day?

Sir GEORGE FOSTER: Yes, except that the Railway Act refers to large sections, and to the operation of different lines of railway as to carrying points. This goes into detail, while the other was a matter of more general application. I may say that this amendment has been very strongly urged upon the Commissioners and upon the department by the Minister of Agriculture of Saskatchewan. I have a long letter from him to the commissioners in which he makes a very strong plea for the immediate enactment of such legislation.

Mr. OLIVER: I imagine that anything that I can say will not affect the decision of the minister in regard to this provision.

My view is that every purpose that is ostensibly to be served by this amendment is already covered by subsection "b". The grain lying uncovered in the fields is in danger of destruction only from dampness, and if the point is taken that at the moment it is not damp, and, therefore, does not come under subsection "b", my view would certainly be that we should adhere to the principle of the Bill and provide specifically for that particular case, rather than, by a provision such as this, simply destroy that feature of the Grain Act which has been most strongly held to by the farmers of the West, in season and out of season and under all circumstances. The principle of compelling the distribution of cars according to priority of order has been fought by every interest opposed to the farmer in the West. I am compelled to say that my hon. friend has to some degree already listened to these opposing interests, and in this section he proposes absolutely to place the grain at their disposal so far as the principle of the car-order book is concerned. If this section passes, in my humble judgment, we can consider that that feature of the Grain Act is eliminated, and that the right that the farmers have stood for during so many years, the right for which they have fought so hard, and which they have maintained so strongly, is taken away from them without good or sufficient reason.

Mr. KNOWLES: At whose suggestion did the hon. minister say that this legislation is introduced?

Sir GEORGE FOSTER: The Minister of Agriculture of Saskatchewan, Mr. Motherwell.

Mr. KNOWLES: Is there correspondence about it?

Sir GEORGE FOSTER: Yes.

Mr. KNOWLES: Could we see it?

Sir GEORGE FOSTER: I can read a portion of it, if that would satisfy my hon. friend.

Sir WILFRID LAURIER: Hear, hear.

Sir GEORGE FOSTER: The correspondence began with a request by Mr. Motherwell that discretionary power should be given to the Board of Grain Commissioners in order to meet this very pressing difficulty during the present season. The board replied to the Minister of Agriculture of Saskatchewan that whilst they were entirely in sympathy with the purpose that he had in view, they were devoid of power, because they could use their discretion only in certain specific instances. They pointed out to the Minister of Agriculture of Saskatchewan that the very discretion which he wished to be granted to the Grain Commissioners in order to alleviate this trouble had been applied for when the Act was being amended some two or three years ago. That provision had been passed by the House of Commons, but had been thrown out by the Senate. This reply was sent to Mr. Motherwell, who, after looking up the facts of the case, wrote to the effect that he found that the Board of Commissioners was entirely right in that matter. He urged then that that discretionary power be applied for.

Mr. Motherwell, in a letter to Dr. Magill, Chief Commissioner, says:

> It would take Parliament possibly an hour to pass this subsection through its various stages, including the Royal Assent, and I am strongly of the opinion that it should be done. We cannot afford to fiddle over this business much longer as spring is rapidly approaching. It has been thawing here all week and in western Saskatchewan the Chinook has caused the streets of towns like Swift Current to run with water. A few more days like this, and the damage to the grain in question will begin. Surely, we are not to stand helplessly by indulging in further speculation as to what should be done and wait until the wheat actually is damaged so that it can be shipped out under subsection "b" of section 207 of the Canada Grain Act.

The Grain Commissioners do not believe that they have the power to act until the grain is actually proved to be damp. It may be that it is not damp under present conditions, but if it is left until it becomes damp, so that the Board of Grain Commissioners have power to act, the damage will have been done and it will be too late to salve the grain. Very gratifying reports come from the vicinities of Saskatoon, Moosejaw and Calgary with reference to the usefulness of the Government storage elevators in these different sections. Quantities of damaged and damp grain have been brought in. We have the finest cleaning and drying arrangements that are possible in connection with these elevators, and thousands of bushels have already been salved and cleaned. A despatch this morning from the elevator at Saskatoon says that pretty nearly 3,000,000 bushels have been passed through that elevator and some 2,000,000 bushels are now in storage. That is a point at which the railway arrangements particularly effect the quick passage of grain. The Canadian Northern

railway is bringing out grain on short hauls from the congested districts and storing it in Saskatoon. The Grand Trunk is carrying it to the East; so that the transfer through the elevator is continuously going on; farmers get their certificates and their weights and are able to make their financial arrangements. They also have the advantage of having clean grain if they wish it, and they have it dried if it becomes damp. If subsection "b" covered the case, we would not want to ask for extra legislation. But in the opinion of the board and of the Minister of Agriculture of Saskatchewan, it does not cover the case,

Mr. KNOWLES: The trouble is that the amendment is addressing itself to the solution of a problem that perhaps should not be solved. The minister says that wherever there is congestion they can order this to be done. It is not congestion that is going to be the reason or justification for favouring any particular point. The congestion might be ever so great, but the principle that car orders should be given to people equitably should still prevail, and the congestion be left to be relieved in the ordinary course of events. If the minister provided that this board should have the exceptional power, not because there is congestion, but because the grain is damp or in real danger of becoming damp, he would be addressing himself to the state of circumstances that the Minister of Agriculture of Saskatchewan seems to dwell upon. The subclause under section 207 of the Grain Act which is involved is:

> The board may, in its discretion, order cars to be provided contrary to the provisions of this part.... (b) to places where grain is damp and thereby liable to become damaged.

Why should not the minister, in the wording of his amendment, continue to confine himself to the kind of grain that is to be handled, and not open up the whole thing and give the board discretion to favour certain places because there is what, in the board's opinion, constitutes congestion? Would it not be better for the minister to have his amendment read: "To places where grain has become or is in real danger of becoming damp." Or better words which the minister would find on reflection Why break in on the principle of equitable car distribution simply on account of conjestion?

Sir GEORGE FOSTER: If there were no congestion there would be no necessity for this clause. These men have grain lying in the fields, sometimes eighteen or twenty thousand bushels, without any covering, and liable to these processes as soon as the weather becomes mild and the snow begins to melt. If there were no congestion there would be no call for this, because there would be plenty of cars and the grain could be carried away. The trouble is that there is congestion and that car orders are in in advance of the orders of the man who has grain which is in a perilous position, and, unless there is something to step in between the general rule and that pile of grain, that grain is almost certain to be seriously injured. I think that where a man has grain stored under such conditions that it is not likely to be injured, his car orders ought to wait until the man alongside of him who has grain stored without the advantage of cover of any kind has had his grain moved.

Mr. KNOWLES: There may be and has been congestion at many shipping points where the wheat is not in any danger. If the minister reads Mr. Motherwell's correspondence, he will see that Mr. Motherwell treats it largely as a geographical matter, referring to the fact that in the older districts, such as eastern Saskatchewan and all of Manitoba, although very often there is congestion there, yet the people are provided with facilities for storing grain on their farms; and so, although there might be congestion, there would be no peril or danger of the grain being lost, whereas in the newer places farther west the homesteaders, under more pioneer conditions, might be exposed to much greater danger of loss, even although the congestion were less. I do not think the minister should put upon us the grave responsibility of defeating this legislation, or of refusing it. We explained to him that all we ask is that the Board of Grain Commissioners attend to the condition of affairs it is sought to relieve. We have congestion all through the winter at some of those points, but the danger does not come until the spring. The board might exercise that discretion at points where there was no danger of any dampness damaging the wheat, and relieve the situation at other points, as they are empowered to do. I do not think that the minister should place us on the horns of a dilemma in that way. All we ask is that this amendment be again amended to meet the condition of affairs. Many farmers would not object to letting the congestion remain, or to letting the wheat lie for a while until their brother

farmers in the pioneer districts had got relief, because the danger of damage to the grain is a great deal more pronounced there than in the older districts where they have granaries. I think my hon. friend the minister will see that our quarrel is not with the principle but with the wording of his amendment.

Sir GEORGE FOSTER: My plea would be this: Provide for the known and uniform cases by actual enactment, and then leave this matter in charge of the Board of Grain Commissioners. They know the circumstances better than any of us can here, and if it is wise to give them discretion to go beyond those points, I do not think the House will make any mistake in just leaving the matter to their discretion. The point of urgency for the legislation comes just from the circumstances that my hon. friend has mentioned, that in those districts at which we are looking at the present time there is a congestion of grain which is not housed. It is not a question of a man having his grain where it would not be damaged, and being able to wait for his cars. He is not being injured so far as the quality of his grain is concerned, but it is a case where a very large quantity of this grain is piled up on the open prairie, and if it remains there a month longer it will probably be very much damaged, if not absolutely spoiled. Whilst we are at it, we might just as well have some faith in human nature, and trust to the Grain Commission to do what is fair in the matter, as try to tie them down to every small detail of what may occur to us here in the House. I do not think my hon. friend will be injured by that stretch of magnanimity.

Mr. OLIVER: The minister has asked the House and the country to trust the Grain Commission. The whole purpose of the Grain Act is to depend on legislative enactment, rather than on official discretion. If his point is right, there is no reason why the Grain Act should remain on the statute book. Now that we have a Grain Commission, which is supposed to know more about the grain business than anybody else, we might just as well, if we are to follow his argument, trust them in everything, and say: The matter of the control and handling of the western grain is in your hands; do with it as you please, and for the best, and wipe the Grain Act off the statute. That is the logic of the minister's argument. I do not think that he will be prepared to-day to carry his argument to its logical conclusion. I do not think he will be prepared to ask this House to wipe the Grain Act off the statute-book, and yet if there is any provision in the Grain Act that the farmers lay store by, and lay stress on, that they demand shall be kept away from anybody's discretion as far as possible, it is this provision in regard to car distribution. Wipe that out and you might just as well wipe the Grain Act off the statute book; there is no protection in it so far as the farmer is concerned. I maintain that the provisions of subsection " b " as they stand cover the case that has been presented to the House by the minsiter. I take issue with the Grain Commission if they hold a contrary view, and I call upon the minister to interpret for them the proper meaning of the Act and their duties, and to see that they carry them out. My hon. friend the minister has said that the grain is going to be dampened when the warm weather comes if it remains piled up on the prairie. Has he not read the papers? Does he not know that warm weather has been experienced there for the past four or five weeks, that in the town of Walsh in the dry belt of the Canadian Pacific railway the people have been flooded out. Southern Alberta has been subject to a chinook. The snow has gone and the grain is damp. It must always be so. Thousands and tens of thousands of bushels of damp grain have been taken into the elevators. The condition of dampness is already great, actual dampness and damage, and therefore subsection "b" is in full effect, so far as the grain of Southern Alberta and Southern Saskatchewan is concerned. I say again that if, when grain is piled on the prairie and covered with snow, the Grain Commission, with the purpose and intent of subsection "b" staring them in the face, deny that that grain comes under the discretion granted by that subsection, that Grain Commission, I will say here on my responsibility as a member of this House, is not honest in the discharge of its duties, and requires to be disciplined by the minister in the interest of that industry which he and they are in their positions to protect.

Mr. KNOWLES: Does the minister not think himself that that clause covers it?

Sir GEORGE FOSTER: I do not, and I would not take the responsibility of saying that the Grain Commission should remove the grain which is now piled on the open

prairie, where the weather has not turned soft, even if it may be covered with snow. I would not ask them to read into their instructions under that subsection the power to remove that grain if it is not damaged. They have evidently had the subject under consideration, and they do not think they have such powers, and they have not exercised those powers. I am not going to instruct them to do so. My hon. friend from Edmonton (Mr. Oliver) says if they have not that discretion, we might as well repeal the whole Act. We have given them discretion in four points already. There is no business man in the world, no corporation, no legislator in the world, no business anywhere which does more than provide for general policy, and general principles, leaving in the hands of the management certain discretionary powers. You have to do it; you cannot get along in business without doing it. Something turns up that no legislator thought of, that no director had provided for, and you have to have a certain amount of discretionary power. In regard to the Grain Commission, the House acknowledge that, and gave them discretionary powers. It is now asked that these discretionary powers be extended so as to cover these cases. That is all we ask, and I did not suppose that the House would offer any objection.

Mr. KNOWLES: I am sorry that the minister feels so surprised. The last time I referred to the subject—I do not think the minister was present—the Minister of Railways said that he would have a statement made up to date as to how much grain they had taken into the Government elevators.

And I understand that there is what we call an embargo until the fifteenth of this month. As it affects the question of this hauling of grain, it is more particularly under the Railway Department. But the embargo has the effect, as I understand it, that priority is given to cars that are used only for the purpose of hauling grain to the elevator as against the cars which may be tied up for two or three weeks going all the way to Fort William. That is something that concerns the grain trade very much although I rather question if it is not technically a matter which the Railway Commission, under Sir Henry Drayton, has under its jurisdiction. I understand that it has worked out very well and that, whereas when I referred to the matter in the House late in January or early in February, there was a very small percentage of the capacity of the internal elevators filled. I understand that since a very much greater quantity of grain has gone into the elevators. If my information is right, that it is proposed to take that embargo off at the middle of this month, I would ask the minister whether it would not be well to continue it until these elevators are filled right up.

Sir GEORGE FOSTER: I think I might suggest to my hon. friend that this is a matter which does not directly affect the passage of this amendment.

Mr. KNOWLES: I think it has a great deal to do with it

Sir GEORGE FOSTER: Perhaps my hon. friend thinks so. If he does it is a matter for himself.

Mr. KNOWLES: It relieves the same situation that this relieves.

Sir GEORGE FOSTER: It does relieve it, because it enables more grain to be carried out than otherwise would be. Do what you can, you get by the short hauls a large amount of this grain hauled out at this period of the year, or about the first of March, but you still leave a very large quantity of grain which will not have been moved even when March, or April, is done. The usual effect of the short haul business has been to increase the efficiency of the service by the railways. Instead of making the trains carry the grain from distant districts all the way through to Fort William, or to eastern elevators, it is carried by means of the short haul to the central elevator and then the cars go back and get other loads. They probably make half a dozen hauls where they would only make one haul to the eastern, or lake head, elevator. That is working very satisfactorily. I cannot give my hon. friend the exact number of bushels that have gone to each elevator, but all the elevators are filling up and the Saskatoon and Moosejaw elevators are emptying out as well as filling up and thus the grain is kept moving. But the point now is as to this particular amendment. I do not want to press the committee at all but I am obliged to go away a little past four o'clock and I would like that we should confine our remarks as nearly as possible to the amendment in hand so that if possible I may get the Bill through before I have to go away.

4 p.m.

Mr. KNOWLES: The minister runs a good department and he keeps the grain administration very free from politics and I shall not say anything unfavourable to him. If there is one part of the Administration that is run in a very high class way, it is the minister's conduct of the grain business and I do not want to cross him at all. But the question of the equitable distribution of cars is the lock, stock and barrel of the Grain Act. While the minister does not see it as I do, I am sorry that I feel it to be my duty to place myself on record as to the amendment that the minister introduces and I therefore propose that the following be adopted:

That we amend clause "b" of section 207 of the Canada Grain Act, chapter 27, by adding, after the word "damp" in line 4, the words "or unhoused."

It would then give the Board power to order cars to places where the grain is damp, or unhoused, and thereby liable to become damaged.

Sir GEORGE FOSTER: This matter has been brought to my attention by the Board, which has given it very careful consideration. The Board has asked for the powers of discretion which I have provided for in the amendment, and I would rather stand behind the Board and give them that discretion and thus restrict the matter by two details, or one detail, in addition to what is given in subsection "b" than to provide other means for discretion being used by the Board under equally pressing circumstances and with results which would equally imperil in some degree the grain left uncarried. I would like to ask the committee to pass the legislation which has been asked for by the Board and which I have submitted to it.

Mr. LEVI THOMSON: I trust the minister will still make up his mind to accept the amendment proposed by my hon. friend from Moosejaw (Mr. Knowles), or something to that effect. I feel very much as other western friends do, that I do not want to throw anything in the way of the minister in this matter. But I have to ask the minister to remember that he is getting back to the old fight that we have been carrying on for the last twenty years or more, and the western farmers feel that a great deal is at stake in connection with the passing of such an amendment as this. We have fought our fight, a very bitter one, not only against the elevators, but also against the railway companies and other institutions of that kind. The railway companies in the early days insisted that all grain must be shipped through elevators. We had a hard time, as my hon. friend knows, to get the right to ship out cars on order. This question has been up in the House before, and some discussion has taken place. The farmers of the West realize that if you pass such an amendment as this it will mean that the commission, or some other body, will have the power to say that the regular order shall be deviated from when there is grain damaged or in danger of being damaged, or when the elevators want more cars than they are entitled to according to the strict provisions of the Act. I know very well that the feeling that the farmers of the West will have in regard to this matter is that it is simply a way of getting back to the old elevator monopoly. I share very largely that suspicion with the farmer, and I would be very glad indeed if the minister could see his way to accept the amendment of my hon. friend from Moosejaw, or something of the like effect, and not get us up against this important question that we have been up against so often. It is a very serious question, and one that we should not be put up against any more.

The CHAIRMAN: It does not appear to me that the proposed amendment of the hon. member for Moosejaw (Mr. Knowles) is an amendment to the Bill under consideration. As I understand it, the Bill is for the purpose of adding subsection "e" to section 207 of the Grain Act. The proposed amendment of the hon. member for Moosejaw is to amend subsection "b" of the Grain Act, so that it is not, in my judgment, an amendment to the proposed amendment. In other words, the proposed Bill could be passed and it would still be open to the hon. member to move a further amendment; but his motion is in no way an amendment to the Bill before the committee.

Mr. PUGSLEY: I understand that my hon. friend suggested to the Minister of Trade and Commerce that this amendment be substituted for the one now before the committee. In order to put it in proper form, all that would be necessary would be to say that section so-and-so be struck out and so-and-so be substituted therefor. I assume that the Minister of Trade and Commerce will not take any advantage of the point, because it is so easy to correct it.

Sir GEORGE FOSTER: I have no intention of taking any advantage. What I want is to have the best legislation possible; but

I have a conviction that the proposed amendment of my hon. friend is not the best legislation, and that this House would be wise to stand by the recommendation of the Board of Grain Commissioners, backed up as it is by the Minister of Agriculture of Saskatchewan. My hon. friend (Mr. Thomson) referred to the old fight; but we are no longer back on the ground of that old fight. The conditions were very different then, as my hon. friend knows, and he would have to imagine that the Grain Board would join hands with the railway companies and the elevator men to get the position of the last few years reversed. I assure him that is not the wish of the department, nor is it the wish of the Board of Grain Commissioners. I still think my hon. friend will sleep well at night even if this section is appended to the Bill.

Mr. SCHAFFNER: So far as Manitoba, and even so far as that part of Saskatchewan which my hon. friend represents, is concerned, this makes very little difference; but farther West there is no doubt that it does make a difference. If my information is correct, the Board of Grain Commissioners are already using, but in an illegal way, the discretion which they are asking for in this proposed amendment. I understand that from conversations with the Grain Commissioners.

Mr. TURRIFF: In my judgment, the amendment of the hon. member for Moosejaw covers exactly the point that the hon. minister wishes to cover, that is, to look after grain that is liable to be damaged. I think it is a very praiseworthy and necessary action to take; but if the amendment of the hon. member for Moosejaw covers the point sufficiently, why amend the Act in the way proposed by the minister? While I have every confidence that the Board of Grain Commissioners would carry out the proposed amendment properly and fairly, and use it only with regard to grain likely to be damaged, at the same time there is a great deal in what my hon. friend from Qu'Appelle (Mr. Thomson) has said. The farmers are very jealous over the privilege of equal distribution of cars, and there has been all along a desire and an attempt on the part of the railways to get away from it; and if you have the railways and the Grain Commissioners working together, with the law giving them power to send cars wherever they wish, you will put the farmers in the position that they will never be sure of getting cars when they want them, and even if they are getting fair play in many cases, they will feel, when they do not get the cars they want, that it is owing to this amendment now proposed by the minister. There would be nothing more objectionable to the farmers than to have to go back to the old position where the railways and the Board of Grain Commissioners would have the say as to the distribution of cars.

Mr. KNOWLES: Mr. Chairman, since you ruled my amendment out of order I have been trying to put it in order—or is that point waived?

The CHAIRMAN: Not at all.

Sir GEORGE FOSTER: My hon. friend will have to put himself in order and move an amendment which is germane to the Bill. He has a perfect right to do that.

Mr. KNOWLES: Bill 58 says:

> Section 207 of the Canada Grain Act, chapter 27 of the statutes of 1912 is amended—

It is section 207 that we are proceeding by legislation to amend. The minister proceeds to amend it in one way and I proceed to amend it in another, and, with all deference to you, Mr. Chairman, it seems to me that my amendment was in order, because it was an amendment to section 207 by way of substitution.

The CHAIRMAN: The amendment as proposed by the hon. member is an amendment to section 207 of the Canada Grain Act, but it is something entirely foreign to that portion of the section which is proposed to be amended by this Bill. My hon. friend, in his amendment, which I ruled out of order, proposed:

> That we amend clause "b" of section 207 of the Canada Grain Act, chapter 27, by adding after the word "damp" in line four, the words "or unhoused."

This Bill does not propose to amend subsection "b" of section 207 at all; it proposes to add a further subsection to the existing section.

Mr. KNOWLES: I take the view that we are not amending any particular subsection, but that we are amending section 207. I will put it in this way.

Sir GEORGE FOSTER: Will my hon. friend allow me to make a suggestion in order to facilitate matters and ease the conscience of hon. gentlemen opposite? Suppose we amend the section in this way:

> Whenever after due examination the board considers necessary and advisable, in order to relieve congestion and facilitate the despatch of grain which is insufficiently housed and liable to become damp—

I am willing to make that amendment, and I think that is as far as I can possibly go.

Mr. PUGSLEY: Would not the minister just transpose certain words and say:

Whenever after due examination the board considers it necessary and advisable, in order to facilitate the despatch of grain which is insufficiently housed and liable to become damp, and to relieve congestion in respect thereto—

Sir GEORGE FOSTER: I read it in this way. It is advisable in order to relieve congestion—in what respect? In the facilitation of the despatch of grain which is insufficiently housed or liable to become damp or injured.

Mr. PUGSLEY: In the way my hon. friend has it, the commissioners will be likely to read "or" in place of "and." By transposing the words you would make the amendment clear to every one.

Sir GEORGE FOSTER moved:

That the following words be added after the word "grain": "that is insufficiently housed and liable to become damp or injured."

Mr. TURRIFF: That may limit it to grain not housed and liable to be injured; but it seems to me to divide the provision into two, which would give the commission authority to send cars where there is congestion and the grain is not liable to injury.

Mr. KNOWLES: I do not wish to impose on the minister, but I am going to try him with this:

Whenever after due examination the board considers it necessary and advisable, in order to relieve congestion in respect of grain which remains unhoused and is by reason thereof liable to suffer damage—

Sir GEORGE FOSTER: I am afraid that is so involved that the Grain Commissioners would not understand it.

Mr. OLIVER: Would the minister say that in his judgment the amendment he proposes does confine the discretion of the Grain Commission to grain that is unhoused?

Sir GEORGE FOSTER: I find it easier to legislate, or rather to propose legislation, than to give a judgment as to how the legislation will be interpreted. But I think that is very largely the way I would interpret it. If there is any extra discretion, that is provided for. I do not think it would militate against the operation of the Act.

Mr. PUGSLEY: It would seem to me that the Minister of Trade and Commerce wishes to meet the views of the members from the West, but he is afraid to interfere with the phraseology of the Bill as sent to him by the Grain Commission.

Sir GEORGE FOSTER: You can put it that way if you like.

Mr. PUGSLEY: How does the hon. gentleman want to put it?

Sir GEORGE FOSTER: Any way that will suit you.

Mr. PUGSLEY: No, I will put it to suit the hon. gentleman. He says he does not undertake to interpret the law. I think he did study law once.

Sir GEORGE FOSTER: I found out what it was like and left it.

Mr. PUGSLEY: Like the student who was in the lawyer's office for two days and left saying he had learned enough to disgust him with the whole business. In this section the minister has the words: "To relieve congestion and facilitate the despatch of grain which remains unhoused." If he does not know, the very excellent lawyer who occupies the position of Postmaster General (Mr. Casgrain), than whom there is no better lawyer in Canada—

Mr. CASGRAIN: I stuck to it.

Mr. PUGSLEY: —and wisely, too; the Postmaster General will tell the hon. gentleman that courts very often interpret "and" as "or," and vice versa. And the Grain Commission, which may be called a court, may interpret this "in order to relieve congestion 'or' facilitate the despatch of grain." Now, the hon. gentleman does not mean that. Why use the word "congestion" by itself? Why not say, "congestion in respect of grain that remains unhoused and is thereby liable to suffer damage?" That is so plain that it could hardly be misunderstood.

Mr. SCHAFFNER: Does not the commission wish to go further?

Mr. PUGSLEY: No.

Mr. SCHAFFNER: I understand they do.

Mr. PUGSLEY: The Minister of Trade and Commerce thinks not. If he leaves this as it is, the commission will say: "Some stupid person has put "and" there when he means "or." It does not mean anything unless it was intended to give the commission discretion with respect to other grain than that which remains unhoused. The minister has said he intends it to apply

to unhoused grain which by reason thereof is liable to damage. If he does mean that, why does he not say that in express words, so that there will be no doubt as to the meaning?

Sir GEORGE FOSTER: I think my hon. friend went a little further than my words would justify. I did assume that there might be a modicum or discretion which might be directed towards points which were congested, even if the element of damp or injured grain was not involved, and I wish that to form a part of the amendment itself. Now, we have pretty well discussed this matter; let us express our minds about it and go on with further business; otherwise, I shall be obliged to ask the committee to rise, report progress, and ask leave to sit again; and probably the point between us is not sufficient to make that necessary.

Mr. KNOWLES: I will place my amendment on record. I move:

That all the words after the word "amended" in the second line be struck out and the following substituted: "By inserting the words 'or unhoused' after the word 'damp' in the fourth line of said section 207."

I move that specially because the minister has said that the purpose is to give the Grain Commissioners discretionary power to relieve congestion where there is no danger of the grain suffering, and, for my part, I am absolutely against that. If I understand the minister's purpose, then there is a great difference between the way he looks at it and the way I look at it.

The CHAIRMAN: I have only this moment seen this proposed amendment, but, as I understand it, it is not an amendment to the amendment that is already before the committee. It must be the desire to substitute this for the amendment of the Minister of Trade and Commerce; and the point would be met, it seems to me, by putting the amendment of the Minister of Trade and Commerce, and if it carried, this further amendment would be unnecessary. On the other hand, if it failed, the hon. gentleman would have an opportunity to move his amendment.

Mr. KNOWLES: I would submit, Mr. Chairman that this proposed legislation is to amend section 207 of the Grain Act, " by adding thereto."

[Mr. Pugsley.]

Amendment to amendment negatived, amendment agreed to, and section as amended agreed to.

Bill reported.

THIRD READINGS.

Bill No. 34, to authorize certain extensions of time to Insurance Companies.—Sir Thomas White.

Bill No. 33, to amend The Bank Act.—Sir Thomas White.

SHELL CONTRACTS.

PROPOSED COMMITTEE OF INVESTIGATION.

Consideration of the proposed motion of Sir Wilfrid Laurier for a committee to inquire into purchases of shells or other munitions or goods by the Shell Committee, resumed from Thursday, March 9.

Hon. WILLIAM PUGSLEY (St. John City): My right hon. friend the Prime Minister, toward the close of his speech on this resolution, made a very important statement, which will be found in Hansard, on page 1592. Referring to the right hon. leader of the Opposition, who moved this resolution, the Prime Minister is reported to have said:

If, however, he or any of his followers has a charge to make against any member of the Government with respect to the Shell Committee or with respect to anything else, let him or his follower stand up in his place, and on his responsibility as a member, make that charge, and it will be investigated thoroughly and completely.

Later on he says:

But there is something else to be said, and I repeat that if my right hon. friend or any of his followers has any charge to make against a member of the Government in regard to any of these matters, let him make that charge in distinct and understandable terms, and he will have the investigation as soon as he so desires.

The hon. member for Carleton, N.B., in supporting the resolution, presented to this House an array of facts in reference to purchases which were made by this Shell Committee of, I think you will agree with me, Sir, a most startling character; facts given with circumstantiality and detail, which must have convinced hon. members of this House, as I know they convinced the country, that the hon. member for Carleton had definite and positive information of the matters of which he was speaking. In view of the statements made by my right hon. friend the leader of the Opposition in moving the resolution; and in view of all the information which has

been given to the House, I should have supposed that the charges made were sufficiently definite and of a sufficiently grave character not only to justify but to demand an immediate investigation by a committee of this House. But, Sir, my right hon. friend has stated that he desires that some member of the House shall put these charges in direct and understandable form. I suppose he means that they should be put in concrete form; that some member of this House should rise in his place and take upon himself personally the responsibility of making a charge against the Government or some member of the Government in respect to the matters with which the Shell Committee has dealt. The reason for that is, as you know, to prevent the time of Parliament being taken up with the investigation of charges with regard to which a member of the House is not prepared to take responsibility as such member. You know, Sir, as well as I, what are the consequences which fall upon a member of the House if he is found to have made charges of a character which cannot be substantiated. He will not only be treated with contempt in the House, but the consequence which falls upon him ordinarily and almost necessarily is that he is obliged to forfeit his seat. Well, Sir, speaking as a member of this House, and realizing as I do the gravity of the charges which are made against the Shell Committee as the appointees of this Government, and also necessarily against the Minister of Militia as a member of this Government who made the appointments of that committee and was constantly in touch, as he says, with that committee, and to whom that committee reported from week to week, as we have had it in evidence; I, Sir, knowing the facts and knowing how grave they are; knowing how grave was the charge which, as I have said, was made against the Shell Committee and the Minister of Militia; knowing what vast sums are involved; knowing, Sir, that the evidence has disclosed to this House that in connection with the $300,000,000 and upwards of contracts given by the Shell Committee there has been, beyond the shadow of a doubt, absolutely wasted upwards of $80,000,000—somewhere between $80,000,000 and $100,000,000 of the money of the people of Great Britain and the people of Canada—Sir, I feel that I would be derelict in my duty, I would be acting the part of a coward and of one unworthy to occupy the position of a representative of an important constituency of this Dominion, if I were to hesitate to take upon myself the responsibility of accepting the invitation which my right hon. friend the Prime Minister has given, and of putting these charges in concrete and understandable form, and bringing upon myself the responsibility which will devolve upon me and which will properly devolve upon me if I should, in case a committee is granted, fail to make good the charges which have been presented to this House. I accept the responsibility; and now, Sir, (reading):

I, William Pugsley, a member of this House, in support of the motion now under consideration, standing in my place in this House and on my responsibility as a member of this House, declare and charge that the Shell Committee, appointed by the Minister of Militia and referred to in said motion, fixed excessive and unreasonable prices for shells and for other munitions and goods to be furnished to the British Government (which by arrangement between the British Government and the Canadian Government were to be paid for in part by Canada.)

That such prices were fixed without competition and were far in excess of what would necessarily have been paid if ordinary business methods had been pursued, thereby involving an unnecessary excessive expenditure of many millions of dollars, conservatively estimated at at least eighty millions, which will be improperly taken from the people of the United Kingdom and Canada.

That said committee gave large orders at such excessive prices and without competition to companies in which members of the committee were largely interested, and of some of which companies members of the said committee were the directing heads.

That there has been great and wholly unnecessary delay in furnishing the completed shells for use of the Canadian and British forces at the front.

That the said Shell Committee neglected and delayed for an undue period of time to provide the fuses necessary to render the shells effective, and, failing to endeavour to provide for their construction in Canada, as they might have done, proceeded to give and award, through J. Wesley Allison in the United States, contracts for fuses amounting to $22,000,000, on which they made an advance of $3,750,000. That the making of the said contracts through said Allison was unwise and improvident and was entered into with the knowledge

and connivance of the Minister of Militia, and the said Shell Committee failed to obtain delivery of said fuses for an unreasonable time.

And I do also charge that the Government of Canada had, through the Minister of Militia, to whom the said Shell Committee reported weekly, knowledge of such irregular and improper methods and acts of the said Shell Committee, and while having the power at any time to put an end thereto the said minister improperly consented to such irregular and improper methods and acts and permitted the same to continue.

Having read this charge, I submit it for the consideration of my right hon. friend the Prime Minister and the consideration of the members of this House. I shall deal with it a little later on, and for the moment I shall devote attention to some remarks which were made by the hon. member for Calgary (Mr. R. B. Bennett). I am bound to say, Sir, that I do not find much to answer in the speech of that hon. gentleman. His speech was a very eloquent one; it was a very interesting one. That speech stamps the hon. gentleman as one of the most forceful and able and eloquent members on the other side of the House. That gentleman has had many opportunities of getting inside knowledge of what has been going on in connection with the purchase of munitions for the Canadian and British Governments. Ever since that most valuable and honoured member of this House broke away from this Government on an important occasion when this Parliament was asked to ratify an agreement made with one of the important railroads of this country, and which that hon. gentleman denounced in the strongest possible terms, this Government, Sir, have shown a very conciliatory course towards the hon. member for Calgary. They are determined that he shall not get away from them again. If I am correctly informed, the Prime Minister scarcely ever takes a trip abroad without inviting the hon. member to accompany him. He even accompanied the Prime Minister as far as the trenches, and I saw by the papers that he had gone as the personal attendant and personal adviser of my right hon. friend the Prime Minister. Well, Sir, that hon. gentleman has not ventured to challenge the accuracy of the figures which were presented to this House by the hon. member for Carleton (Mr. Carvell). Need I argue that it was because it could not be done? The hon. member for Calgary is industrious and is most able and most intelligent, and if it had been possible to question the accuracy of the figures or statements presented by that hon. member, you may depend, and I am sure this House will agree with me, that the hon. member for Calgary would have devoted himself to that task. He did not do so. He did not discuss whether or not excessive prices had been paid. He said he had nothing in the world to do with the question whether or not orders for shells had been given to members of the Shell Committee or to companies in which they were interested, or to cousins or uncles or aunts or other relatives of themselves. That was a matter of no interest to him. All that he was concerned about was that while the war is on we should not investigate these matters, no matter how horrible they might be, and no matter how much might be shown against the Shell Committee. He compared the position of those of us who wanted an investigation to that of a man whose house was burning and who wanted the firemen to cease their operations while he began to examine into the cost of the hose that was being used for the purpose of extinguishing the fire. My hon. friend went further and said that the boots ought never to have been inquired into by this House, and he rather found fault with my right hon. friend the Prime Minister for granting the boots inquiry. He said he had been pressed unduly from some quarter, what quarter he did not say, to have the investigation; but he ventured to say that the Prime Minister would not repeat the experiment and have an inquiry into matters concerning the Shell Committee.

What was the argument used by my hon. friend? Why, he said, the result of that investigation was to prevent Canadian boot manufacturers from getting very large orders in France, because the people of that country had become convinced that Canadian boots were not as they ought to be. With those patriotic gentlemen on the other side of the House it is all a question of money, apparently. It did not seem to impress the hon. gentlemen's mind that there was complaint with regard to the boots which were furnished to the Canadian soldiers—that letters were coming from the front stating that the boots were unfit to wear. My hon. friend was not impressed with the fact that the newspapers of Canada were clamouring for an investigation before that inquiry took place, claiming that a great injustice was being

done to the soldiers by providing them with defective boots. That did not seem to impress my hon. friend from Calgary at all. It did not seem to make any difference to him that, as a result of that inquiry, there was a great improvement in the class of boots furnished to the soldiers. My hon. friend said that the Canadian boot manufacturers had lost large amounts of money by reason of that investigation, and that therefore it ought never to have taken place. When my right hon. friend the Prime Minister proposed that investigation, and himself moved for the committee in this House, it is a wonder that my hon. friend from Calgary did not rise in his place and tell the Prime Minister that, in moving for an investigation while the war was on, he was like the owner of a house whose house was on fire stopping to inquire as to the cost of the hose. The same argument would have been as applicable to that case as to this.

When the inquiry was being held by the Committee on Public Accounts with reference to the purchase of horses, why did the hon. gentleman not rise in his place in the committee and say: Now is not the time to investigate with regard to horses; if it goes abroad that poor horses have been bought for the use of the British or Canadian soldiers, the impression will be entertained across the water that Canadian horses are no good, and money will be lost to the farmers of Canada. Better, according to the hon. gentleman, that they should go on selling those old horses at prices in many cases three times what they were worth, than that there should be an investigation, and that the facts should become public. I wonder what my friend the former member for Kings, Nova Scotia, thinks of the speech which my hon. friend made. His regret must be that the hon. gentleman had not spoken out a year or more ago, when it was proposed to investigate the purchase of horses. He might have saved the former member for Kings his seat in this House, and the right hon. the Prime Minister the painful duty, as the result of the investigation in the Public Accounts Committee, of reading the member for Kings out of the party.

And what about binoculars and bandages? They are necessary for the carrying on of the war. When the committee began to investigate the question of binoculars and bandages, why did my hon. friend from Calgary not get up, and, in eloquent and stentorian tones, such as he and only he can use, say: "Stop, the war is on; you are like the man whose house is burning, and who stops to inquire into the cost or quality of the hose; stop, the Empire is at war, thousands upon thousands of young men are sacrificing their lives upon the battlefields in the defence of the country, and all the energies of our people ought to be directed towards bringing this war to a successful issue; why stop to investigate boots, binoculars, horses and all such trivial matters? leave these questions, for Heaven's sake, leave them till after the war is over, and do not allow any investigation for fear that the good name of Canada will in some way be brought to the dust." That is the argument which my hon. friend used, the only argument which he presented to this House.

What about the Davidson Commission? What a dreadful thing it must have been in the opinion of my hon. friend from Calgary, to have the evidence brought out in regard to the purchase of horses in Ontario, which had the deplorable result that a member of the legislature was compelled to resign his seat, and, when he went back to the people for re-election, they refused to declare their confidence in him and elected his opponent by a very large majority. What a grave injustice, in the eyes of my hon. friend, was done to that gentleman, and what a grave wrong was done to the country because that investigation took place when the war was on.

Then, with regard to submarines, with regard to those great war vessels which, according to the cablegrams from the Minister of Marine and Fisheries, the Chilian Government found themselves unable to accept and take over? What about those great war vessels for which thirty or forty per cent more was paid than ought to have been paid? What a terrible wrong was done by my right hon. friend the Prime Minister when he appointed Sir Charles Davidson to investigate the purchase of the submarines. Word might go to England, and even to Germany, to our enemies, according to my hon. friend, that we were really questioning, that we in Canada had found it necessary to question, the utility of those submarines, and the interest of those who had been engaged in the purchase of them. What a terrible injury, according to my hon. friend, was done to the people of Canada and to the Empire by the investigation which Sir Charles Davidson conducted.

What did my hon. friend from Calgary, in the very height of his eloquence, and with the most profound seriousness, say? What statement did he make to this House, based upon his inner knowledge, upon his trips across the Atlantic, upon his close association with the members of this Government? He said:

> Sir, I have a profound conviction that when this war is over and when an investigation into its conduct has been held alike in the Mother Country and in the overseas dominions, some reputations that are now looked upon as great will fall. I have a profound conviction, too, that men who have profited by the necessities of the state, who have washed their hands in blood money, so to speak—they and their children's children—will be remembered with execrations and curses by the men who come after.

Serious words, these, Mr. Speaker. It seems to me that when my hon. friend used these words he either said too much or too little. If my hon. friend, with his close and intimate knowledge of what has been going on since the war broke out, with his close association with ministers, knows of men now standing high in the councils of the country, or having a high reputation, whose reputation will fall when the war is over—if my hon. friend knows of men who have taken advantage of, and profited by, the necessities of the State, who have "washed their hands in blood money, so to speak," and who, "with their children's children, will be remembered with execrations and curses by the men who come after them," surely it rests upon my hon. friend as a member of this House, as one who represents the people of this country, to disclose to this Parliament what he knows with reference to those men who are profiting by the war, and "washing their hands in blood money, so to speak." My hon. friend ought not to wait until the war is over in order to expose the wrong-doing which he has reason to know exists to-day. He should come out in the open, and tell this House and the people of this country what he knows with reference to those wrong-doings.

Now, my hon. friend has made a most serious statement which he would not have made if he had not had knowledge of that whereof he speaks. He says:

> But now is not the time, in the midst of this great conflict, to cease our activities, to wear out our energies beating against the rock.

I am not able to see any reason why we should wait until the war is over. I do not see why we should not investigate these matters now, and I think the people expect us to investigate them now. No harm was done to this country, no harm was done to the Empire, military activities were in no way interfered with, war preparations were in no way impeded, when the investigation into boots took place. When the investigation into charges concerning binoculars, bandages, drugs and submarines took place, no harm was done to this country, and military activities were in no way impeded. I am not able to see what injury would possibly be caused to Canada or the Empire by an investigation into the matters which have been brought before the House with respect to the purchase of shells and other munitions of war.

How could any injury be done? There would be no stoppage of the manufacture of munitions. The manufacture of munitions has now been entrusted to the Imperial Munitions Board. The old Shell Committee did not die a natural death; it was put to death by representatives of the British Government who came to Canada to investigate its conduct. The new Imperial Munitions Board can go on with the work just the same whether this investigation takes place or whether it does not.

Then, my hon. friend says, that the managers of factories and of various industrial establishments would be brought to Ottawa and be kept dancing around for weeks perhaps, and that their industries would be neglected. There is no need of that. It is proposed that a small committee shall be appointed, a majority of whom would be representative of hon. gentlemen opposite. That committee, I take it, would carry on its work in a reasonable and proper manner, and in such a way as to suit the convenience of the various witnesses who would be required. The inquiry would not take a very great while and I am unable to see how there would be any great inconvenience to those who would be summoned as witnesses, or how the work of manufacturing munitions, or the work of the Imperial Munitions Board, would be interfered with. But, surely, when these charges have been made, charges which have startled the people of the country who are not able to believe it possible that the business of the Empire, which has been entrusted to the Government of Canada, is being carried on in such a reckless and improper manner, and that these vast sums of money are being taken out of the taxpayers of the United Kingdom and of Canada, the fact that a few people may be temporarily inconvenienced by being brought here as witnesses, ought

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not to prevent this Parliament from doing its duty and having an investigation into these important matters.

I do not think I need answer more fully the arguments which my hon. friend from Calgary has made, because, as I have said, he does not pretend to question the accuracy of the figures presented by my hon. friend from Carleton. He simply puts his argument against an investigation upon the ground that it in some way or other might interfere with the work of the Imperial Munitions Board and with the military operations to which the Government is attending. I had almost forgotten that the hon. gentleman said that this Government were overweighted with great responsibilities and that it would be a cruel thing to place this extra burden upon them. I admit that the right hon. the Prime Minister has grave responsibilities resting upon him, and I admit that the Minister of Militia and Defence has grave responsibilities resting upon him and that his work would necessarily be increased. I think probably also that the Minister of Finance has added responsibilities of a grave character; but how about the others? How about my genial friend the Minister of Public Works? No matter how much he might pretend to be worried by responsibilities connected with the war, he could not make me believe that he really was worried in the slightest degree. His work has not been added to. His work is not one-tenth what it was before the war. If what he says is correct, and I do not desire to question what he says, he is only carrying out existing contracts as to which everything of a preliminary character has been done, as to which the plans and specifications were all prepared long ago, and as to which the contractors, under the supervision of the department, are simply carrying out the works to completion. What is to hinder the Minister of Public Works, able man as he is, from giving attention to an investigation of this important subject? What about the Solicitor General? Has the fact that he has been recently elevated to cabinet rank added to his duties, burdens, or responsibilities? I do not think so. What about the hon. Minister of Justice (Mr. Doherty) who has lately added a large number of lawyers to his staff to enable him to attend to the law business of the country? If any additional burdens have to be borne, the Minister of Justice takes care to bring lawyers from a distance to Ottawa for the purpose of bearing them, and he pays them good fat retainers at the expense of the people of this country. I cannot imagine that the war would prevent him from giving personal attention to the examination of these questions. What about the members of the Government without portfolio who belong to the class that we down in the province of New Brunswick call the forecastle members of the Government? They have no important duties to attend to. What about the Secretary of State. He is an able lawyer, or an able notary public; I have no doubt that he would be able to give some attention to this investigation, to see that matters were considered properly, and that the truth was fully and plainly brought out by the committee without any bad feeling or any inconvenience to anybody. What about the hon. gentleman who occupies the position of Minister of Mines and Inland Revenue? His work has not been increased by reason of the war. Then, there is the Minister of Labour, who says in the most positive way that while this war is on he has a feeling of uncertainty as to whether we are going to win or not, that we ought not to consider any social questions, and that we ought not to consider the question of whether we should engage upon a system of technical education because, I suppose, the benefits of these things might pass over to the Germans in case they should conquer the Empire and take Canada. The Minister of Labour says: Hold, stand still, while the war is on. Surely, under those circumstances he would have plenty of time for an investigation into these questions. There may be other members of the Government in the same position. Oh, yes, there is the Minister of Marine and Fisheries. He has not had grave responsibilities, because, very early in the war, he took all the pains he could to put all his war vessels out of commission so that he would not have anything to do, and so that there would not be any responsibility resting on his shoulders. He thought the best thing to do was to leave the trade routes to be guarded by the warships of the Mother Country, and of Australia, and of Japan. Certainly it was the easier way, and it relieved him of a great deal of responsibility, so that I think he will agree with me that he would have plenty of time to work on this committee if it should be appointed. Surely the argument raised by my hon. friend from Calgary that we ought not to add to the burdens and respon-

sibilities of this Government in war time is not a very strong one, and is not calculated to impress this House or this country, and surely the appeal, which the hon. gentleman made to us that, above all, we should not obtrude into public questions at the present time what might seem to be partisan matters, ought not to prevail. Let me say to my hon. friend from Calgary that we do not approach this question in any partisan spirit; but if criticism on the part of an Opposition of wrongdoing or improper expenditure of the public money is an evidence of partisanship, we plead guilty, because ever since the commencement of the war, we thought we had a right to take the Prime Minister at his word when, upon the occasion of his asking us to vote to the Minister of Finance all the moneys he might require for the purpose of carrying on the war, he told us that he would afford us an opportunity of investigating into all public expenditures while the war was on. When he have taken him at his word, and when, confronted as we are with the fact—may I not truly and properly say the disgraceful fact—that at least $80,000,000 have been improperly taken out of the pockets of the people of Canada and of the Empire, and when in the discharge of our duty we have determined that this matter should be investigated, we ought not to be charged with partisanship. But if that is to be the dividing line between us and hon. gentlemen opposite; if they say that the lid must be kept down until the war is over; if they are to be allowed to say that there will be no examination into public expenditures until then, we, on the other hand, say that we, as the representatives of the people, have a right to demand an investigation into the expenditure of public money. If that is to be the dividing line, then we are willing to admit that we cannot agree with hon. gentlemen opposite, and we are content to be classed as partisans. My hon. friends opposite, taking the position which they do, must, of course, choose for themselves the word which will properly describe their attitude, but the people of this country will have no difficulty in finding language which will fittingly describe it.

My hon. friend from Calgary also urges that there is a grave constitutional question involved in this resolution, and that we cannot properly or constitutionally investigate the expenditure of these moneys until an item appears in the Public Accounts; in other words, until the Minister of Finance and the British Government make an adjustment of the accounts as between the two countries and the amount that we pay appears in the Auditor General's Report. That was not the view taken by the Prime Minister when, in 1903, he voted for a resolution proposed by the Hon. Mr. Monk, one of the greatest constitutional lawyers Canada has ever produced, a gentlemen who occupied a high position at the bar in his native province, and who was also a distinguished professor of law in Laval University. He took the view and pressed it home strongly that this Parliament would not be discharging its duty if it did not investigate the purchases made for the British Government during the Boer war, and, when the question came up for decision, the Prime Minister, who is also a very able constitutional lawyer, felt constrained to vote for the resolution, as did all his followers, and when the general elections came the charge was made by the right hon. gentleman's friends that the Liberal party had sought to prevent an investigation into the purchases which were made for the British Government at that time. The people, in 1911, took the view that the Liberal party was no longer worthy of the confidence of the majority of the people and the present Prime Minister and his party were returned to power. Are they to go back now on the record which they made for themselves in 1903? They are in charge of the affairs of this country to-day; are they to be allowed to say: Although we believed in the position which we took in 1903, yet to-day, because we are in office; because we want to keep the lid down and prevent the people from knowing what is taking place, we are going to vote against any investigation and against the facts getting before the public. That apparently is the position which my right hon. friend is taking; it is the position which my hon. friend from Calgary has pressed him to take; but now that I have complied with his request and have submitted this charge in a form which certainly my right hon. friend can understand and which every man in this country who can read will understand, I hope that he will not adhere to the views which he has presented to the House, or act upon the request of the hon. member for Calgary.

But, the hon. member for Calgary says: Oh, this was not Canadian money at all and we have no right to investigate the expenditure of it. I think we may deal with this question from two standpoints:

one that these shells are being purchased with Canadian money by a partnership consisting of the United Kingdom and of Canada. We have the statement made by my hon. friend the Minister of Finance early in the session in answer to an inquiry which I presented to him, that under an arrangement come to between the British Government and the Canadian Government, every dollar expended in connection with the Canadian Expeditionary Forces shall be paid by Canada. This is the statement of the Minister of Finance as reported on page 42 of Hansard:

> In a general way, I may say to my hon. friend that the Government of Canada is bearing the entire expense of Canada's participation in the war. There will necessarily be certain accounts which cannot be adjusted until the war is over, or until a later date....
>
> Mr. Pugsley: That means, of course, all the ammunition, all the guns, all the boots and shoes, and all the clothing used by the Canadian soldiers at the front?
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> * * * *
>
> Sir Thomas White: ... In other words, we desire to pay the entire cost of the Canadian Expeditionary Force abroad.

That includes the cannon, the rifles and the shells which are used by the Canadian soldiers. Therefore, so far as Canada's money is concerned, though the United Kingdom pays for these shells in the first place, a proportion is charged to Canada, the adjustment of the exact amount Canada is to pay being postponed to a later date. What difference does it make whether we pay ten millions or twenty millions now or whether we agree to pay the Mother Country as soon as the accounts are adjusted. From the statement of the Prime Minister it further appears that for the purpose of carrying out this arrangement in good faith, Canada to-day is financing the British Government during the purchase of these munitions of war in Canada. The Prime Minister's statement, on page 30 of Hansard, reads:

> I believe that of all the payments to be made during the present month of January, the Canadian Government is providing at least one-half so that we are not only doing our part in producing these munitions of war, but we are also doing our part in temporarily financing for the British Government about one-half of the payments.

The effect of the statement of the Minister of Finance is that these purchases are made and from time to time there will be an adjustment of the accounts as between the British Government and the Canadian Government, and Canada will recognize her liability for her portion. I defy any hon. gentleman to show that there is a difference between the case as it is and the case as it would be if Canada were to give her own cheques immediately upon these shells going into the possession of the British Government.

But even if that were not the case, the members of this Shell Committee are the appointees of the Minister of Militia, a member of this Government, for whose actions the whole Government is responsible. I notice a disposition on the part of some hon. members to dissociate the Minister of Militia from other members of the Government. I notice especially that when they speak of Colonel Allison, they try to associate the Minister of Militia with Col. Allison. But if the Minister of Militia is associated, rightly or wrongly, with Col. Allison in the purchase of munitions, every member of this Government is equally associated with him. That is the constitutional principle; that for every act of every member of the Government every other member of the Government is responsible just as if he performed that act himself.

I submit, and I shall be able to prove it, if it is not already proven to your satisfaction, Sir, and to that of members of the House: that the members of this Shell Committee were the appointees of the Minister of Militia. I was indeed surprised when the Prime Minister sought to convey the impression that all that the Minister of Militia had done was to name eight or ten men and to submit those names for the approval of the British Government. I was surprised that my hon. friend from Calgary (Mr. R. B. Bennett) should follow the Prime Minister in that idea. There is not one word in the record, or in the correspondence, or in the testimony available to the House, to show that the Shell Committee were the appointees of the British Government; but there is evidence of an overwhelming character to prove that that committee were the appointees of this Government, and of this Government alone. As evidence on that point, we have first the statement made by the Minister of Militia and reported at page 295 of Hansard:

> I now come to a very interesting part of the discussion, namely, the Shell Committee. And here let me frankly admit to the House that it is my baby; I am the father of the concern, be it for good or be it for bad, and I purpose sticking to it as long as it has a button left on its jacket.

I would like to say to the Minister of Militia that the place in which to stick to the Shell Committee is not on the sunny

beaches or in the shade of the sheltering palms of Florida, but it is in this House, in this Parliament of the nation, and in sight of the people of this country—that is the place in which the Minister of Militia should stand by his "baby;" he should not have gone away and left his "baby" to the fate which will befall it. As further evidence, we have the statement in the report prepared by Colonel Carnegie to be signed by General Bertram, and read by the Prime Minister in this House, as appears at page 1570 of Hansard. The Government cannot repudiate that report, because they themselves submitted it for the information of this House. In that report it is stated:

> The executive work of the committee has been very wisely entrusted to the chairman. Colonel Bertram, who reports weekly to the Minister of Militia and also to the committee when it meets (which is usually monthly) or more often, at the call of the minister.

There you have the official statement that the committee reports weekly to the Minister of Militia and that it meets subject to the minister's call, as at the call of an honorary chairman. We have also the letter from Mr. Hichens, who represented the British Government, and who was entrusted with what, I suppose, must have been the unpleasant task of disorganizing this Shell Committee and providing for the appointment of an Imperial Munitions Board to take its place.

I ask hon. members to listen to the words of Mr. Hichens in the letter written to the Prime Minister and by him submitted to this House on the 7th instant, for the purpose of giving it knowledge of the position in which matters stood. In his letter to the Prime Minister, which may be found on page 1581 of Hansard, Mr. Hichens says:

> In order to carry out your wishes and to make it clear that the purchasing agency is administratively independent of the Canadian Government, the members of the existing Shell Committee have tendered their resignations to the Minister of Militia, by whom they were appointed.

Consider for a moment what was desired. When Mr. Thomas and Mr. Hichens came to Canada it was desired that this purchasing agency should be kept administratively independent of the Canadian Government. Is that not a statement, as strong as a statement can be, that the old Shell Committee was not administratively independent of the Canadian Government? Is that not a statement as strong as language could make it, that the old Shell Committee was in reality a branch of this Government, appointed by the Minister of Militia, and acting for the Minister of Militia and for this Government? In order that the administration of the purchasing agency should be separated from this Government it was required that the Shell Committee should resign and that a new board, to be called the Imperial Munitions Board, and to be appointed by the Imperial Government, should take its place. Mr. Hichens says that the object of the change was to make it clear that the administration of affairs connected with purchases should be altogether independent of the Canadian Government. Listen to the words of Mr. Hichens:

> The members of the existing Shell Committee have tendered their resignations to the Minister of Militia, by whom they were appointed, and a new board entitled the "Imperial Munitions Board" has been constituted by the British Minister of Munitions as from November 30, 1915.

In other words, this committee, which was administratively a branch of the Canadian Government; which was administratively attached to the Department of Militia; which reported weekly to the Minabout once a month or oftener at the call about once a month or oftener at the call of the Minister of Militia—this Shell Committee, as Mr. Hichens says, resigned to the Minister of Militia, by whom they were appointed, and a new committee called the Imperial Munitions Board was constituted by the British Minister of Munitions as from Nov. 30, 1915. This shows as clearly as it can be shown, that in order that the Shell Committee appointed by the Minister of Militia should be done away with and a new board appointed by the Imperial Minister of Munitions, the members of the Shell Committee were required to resign. They promptly resigned to the Minister of Militia, and a new board was appointed by the Imperial Minister of Munitions to take their place. I do not see how it is possible for me to present any stronger evidence than that that the Shell Committee was the appointee of the Minister of Militia and, accordingly, of the Canadian Government.

Sir, what further argument is there for an investigation, altogether apart from the question of the appointment of the Shell Committee? It is said by gentlemen opposite that the British Government requested the Minister of Militia to name a committee. Granting for a moment that that was all that the British Ministry did, surey that was entrusting an important matter to the

Canadian Minister of Militia. Surely in a most important matter the British Government were relying on him to select the men to do this work. The Minister of Militia names these men and they go on and make purchases. They waste the money of Great Britain to the extent of millions of dollars; waste it to an amount not less than $80,000,000, as we allege, and more likely to upwards of $100,000,000. Surely the Minister of Militia has the right to investigate the manner in which these men whom he named have discharged their duties. But, Sir, the Minister of Militia was asked to name this committee not because he was Major-General Sir Sam Hughes, but because he occupied the important position of Minister of Militia. He was in that respect, as in all other respects, the trustee of the people of Canada. The honour of the people of Canada was entrusted to his keeping and to the keeping of his colleagues in the Government. The people of Canada to-day demand an investigation as to how these men named by the Minister of Militia have discharged the sacred trust which was vested in them. It is no use trying to balk this inquiry by technicalities. The people of Canada are saying to-day, that in respect of this vast expenditure of money they have a right to know the facts. Hon. gentlemen on the other side say: Oh, the British Government have not asked for an inquiry. Sir, there is something else besides the mere wish of Mr. Hichens or of other gentlemen who are connected with the British Government. As I have said, the honour and the good name of Canada are involved in this matter. In view of the facts which have been presented by the hon. member for Carleton, the people have the right to have this matter investigated by Parliament; they have the right to ascertain the facts with reference to these grave charges; they have the right to be informed by sworn testimony as to whether any answer can be made to these apparently unanswerable charges. If any answer can be given they have a right to know what that answer is.

The hon. member for Calgary says: you are seeking to besmirch the honour and good name of the manufacturers of Canada. Sir, I deny that. We have not on this side of the House made a single charge against any manufacturer in this country. It has not been suggested, and it cannot be proved that the manufacturers of Canada have combined to raise the prices to the Shell Committee; it has not been suggested and it cannot be proved that they ever demanded any fixed price for the manufacture of these munitions of war. The evidence is that the Shell Committee themselves voluntarily fixed the prices and gave to the manufacturers the prices which they so fixed. The simple question for the manufacturers was as to whether, at the prices fixed by the Shell Committee, they were willing to fill the orders offered to them. I repudiate, therefore, as absolutely without a shadow of foundation the statement that we are seeking to besmirch the good name of the manufacturers of this country, or to impeach their honour in any way.

In answer to the charges made, the Government talk about what has been done by our soldiers who have gone to the front; they talk of the splendid bravery which our men have displayed, the noble manner in which they have been willing to lay down their lives for the Empire. According to these hon. gentlemen, the braver our boys are on the battlefield the greater can be the bungling and boodling at home. That is apparent from the argument of these gentlemen, because that is the only excuse they offer for this dreadful waste of public money. You will remember, Sir, that when the Minister of Militia addressed the House that was the only answer he had to the charges which the hon. member for Carleton (Mr. Carvell) and I ventured to put before the House in the debate on the Address. We have made grave charges against the members of the Shell Committee and against the Minister of Militia, and necessarily against the Government by reason of the Minister of Militia being a member of this Government. Putting the charges in concrete form, what is alleged? In the first place it is alleged:

> That the Shell Committee fixed excessive and unreasonable prices for shells and other munitions and goods to be furnished to the British Government, which by arrangement between the British Government and the Canadian Government were to be paid for in part by Canada.

Is that not absolutely true? Is it not absolutely true that these munitions were to be paid for partly by the British Government and partly by Canada? Can anybody doubt that it is true that the Shell Committee fixed excessive and unreasonable prices for shells and other munitions, and goods to be furnished to the British Government? Sir, I say it is true. I defy any member in this House to combat the figures, and the arguments resulting from them,

which have been submitted by the hon. member for Carleton. They are absolutely unanswerable. The Minister of Militia did not—shall I say dare not—venture to remain here in this House for the purpose of answering them. He knew what the charges were before he left, and he did not venture to remain in this House for the purpose of attempting to give an answer. The hon. member for Carleton gave the dates of these various orders and he showed beyond question that at the very time that this Shell Committee were giving orders to small companies, mushroom companies, at prices which the hon. member for Calgary (Mr. Bennett) says were sufficiently high to cover the cost of the plant, they were giving large orders at the same prices to established concerns which had already been paid many times over the cost of their plant, and which received in that way enormous profits from the orders which were so given to them. That is the statement we make. We not only make it, but we substantiate it by the facts; and, Sir, upon my responsibilty as a member of this House, and knowing the grave consequences which would necessarily fall on me if I should fail to make good the charges which have been made, I declare that this charge is true. I declare that the Shell Committee did fix excessive and unreasonable prices for shells and other munitions. The next charge, put in concrete form, is:

That such prices were fixed without competition and were far in excess of what would necessarily have been paid if ordinary business methods had been pursued.

Is there any doubt about that? Did any one of the hon. gentlemen opposite, from my hon. friend the Minister of Militia down to the hon. member for Calgary, pretend that the Shell Committee asked for competitive prices?

Mr. R. B. BENNETT: Was not every price, in every instance, for every class of munitions, fixed by the Imperial Government before the contracts were awarded?

Mr. PUGSLEY: I would say, no.

Mr. BENNETT: That would settle the whole question.

Mr. PUGSLEY: I have no information that it was. But suppose it were so—and I have yet to learn it was so—but suppose it were so, is that any justification for these men who were upon the spot allowing the British treasury to be robbed by the giving of these excessive prices? We have heard it said that these British officials had no idea of the possibilities of manufacturing shells and other munitions of war in Canada. We have been told stories of the amazing stupidity and want of knowledge of Canada on the part of officials of the British Government. I do not wonder at that when we find that the Prime Minister never, apparently, had sufficient faith in the resources of Canada to stand up and tell some of these British officials that they had a very inadequate knowledge of the resources of Canada when they put forward their statements as to what Canada could do and as to what Canada could not do. I say, Sir, we do know that the Shell Committee, in many cases, gave to these big firms—many of them companies in which they were largely interested, and of which they themselves were directors, in some of which they were the managing heads and the controlling factors—practically the same enormous prices which they gave to other small companies engaged in the manufacturing business. And when we show that these companies have made millions and millions beyond what would naturally have been paid if ordinary business methods had been pursued; when these prices were fixed not by the British Government, but by the appointees of this Government through the Minister of Militia, are we to be told that because the British Government officials, 3,000 miles away, having no knowledge of the industrial possibilities of Canada, knowing nothing of our great factories, or of our skilled workmen, not believing it was possible that Canada could do as much in the way of manufacturing as the people of any other country in the world, and do it as quickly; is it any excuse or answer to the charge we make as to these enormous prices being paid, to say: Oh, well, the British Government did not complain; they did not object to the prices which the Shell Committee fixed, and, therefore, no matter what was paid we have no right to investigate.

Mr. MEIGHEN: Will the hon. member be good enough to specify what company he refers to whose managing head and controller was on the committee and which got large contracts at excessive prices?

Mr. PUGSLEY: If my hon. friend desires to know, I will tell him. There was the Nova Scotia Steel Company.

Mr. MEIGHEN: That is what I wanted to know.

Mr. PUGSLEY: There was the company at Welland, of which Mr. E. Carnegie was

the managing director, and of which for a time Colonel David Carnegie was also a director; and there was also another company in which Mr. Watts was largely interested, and then there was—

Mr. MEIGHEN: Which one was that?

Mr. PUGSLEY: I do not remember exactly, it was given by the hon. member for Carleton. In addition to that there was the Bertram & Sons Company of which General Bertram was vice-president.

Mr. MEIGHEN: And does the hon. member state that General Bertram was largely interested in controlling that company?

Mr. PUGSLEY: Mr. Bertram was in that company; he was the vice-president.

Mr. MEIGHEN: How much?

Mr. PUGSLEY: He has not chosen to tell us how much.

Mr. MEIGHEN: One share.

Mr. PUGSLEY: He said he had one share in that company, but he has not told us whether that one share was for $1,000 or $50,000.

Mr. R. B. BENNETT: He says the shares are $100 each.

Mr. PUGSLEY: He has not told us that. My hon. friend knows there are companies and companies, some with shares of $100, some with shares of $1,000, and some, in small syndicates, with shares of $50,000.

Mr. MEIGHEN: Does the hon. gentleman not think that he should find out, before he says that Mr. Bertram manages and owns that company?

Mr. PUGSLEY: I said that the members of the Shell Committee were largely interested in companies, and that in the case of some of them, the members of the Shell Committee were the directing heads. That is the statement which I have made, which I am prepared to stand by, and which we will prove, if the Prime Minister permits that a committee be appointed.

It is also charged that the unnecessary and excessive expenditures of the Shell Committee amount to at least $80,000,000. Hon. gentlemen opposite may think that is of no consequence. I think my hon. friend from Calgary said it was only a sort of piffling matter.

Mr. R. B. BENNETT: I said the charges were, not the sum.

Mr. PUGSLEY: The extra charges were $80,000,000. Mr. Lloyd George has said that the time may come in this war when the battles will be won by silver bullets. Sir, here are 80,000,000 silver bullets that have been thrown away, and improperly and wrongfully taken from the pockets of the people of Canada and of the Mother Country.

Mr. MEIGHEN: Did Mr. Lloyd George ever say that the war would be won by investigations?

Mr. PUGSLEY: It does not require Lloyd George or anybody else to tell the people of Canada that they have a right to investigate the conduct of the men who are the employees and appointees of the Government. The good judgment, good sense, and conscience of the Canadian people tell them that. It does not require Lloyd George to tell the people of Canada that they know their duty to the Empire in this war. It does not require any one to tell the taxpayers of Great Britain, and the taxpayers of Canada that the British Government, and this Government, are charged with certain duties and responsibilities in connection with the purchase of munitions. It does not require any one to teach the people of Canada that they have the right to know in what manner that trust has been discharged. They have the right to know whether it has been discharged in such a manner as to bring disgrace upon the good name of Canada, or to bring honour and respect to the people of Canada. They have the right to know that, and a portion of the people of Canada through me, as their representative, have the right to know whether there has been mismanagement, whether there has been bungling, and whether, what hon. gentlemen opposite call mistakes, have been made on such a vast scale that they become crimes, through which this enormous sum of $80,000,000 has been taken from the pockets of the taxpayers of Great Britain and of Canada. And yet, hon. gentlemen opposite say: Oh, you must not investigate these matters while the war is on for fear that in some way the reputation of Canada will suffer. So says my hon. friend from Calgary. If the reputation of Canada suffers, it will be because of the disclosures made when the investigation takes place. If my hon. friend has regard solely for the good name of Canada, if he believes that these charges are unfounded, he should welcome an investigation, and have the

facts brought to light; if the Shell Committee and the Minister of Militia are blameless; he should have their good name and good reputation made to shine before the world, and so prevent Canada from standing in the position, in which she would otherwise stand, of having deliberately wasted this vast sum of money, while the Government of the country, whose duty it is to have an investigation, shut down the lid and call upon their followers to sit upon it, to prevent any facts from coming to light. That is what will injure the good reputation and character and standing of the Dominion of Canada.

At six o'clock the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

THIRD READING.

Mr. BLAIN moved the third reading of Bill No. 26, respecting the corporation of the city of Brantford, and to change the name to "an Act to enable the corporation of the city of Brantford to own and operate the Grand Valley railway."

Mr. GRAHAM: I want to take the same objection I did yesterday to this Bill; that is, that we in this House have no authority to enable the city of Brantford to do anything. It gets that authority from the Legislaure of Ontario. We have authority in this House to enable the Grand Valley Railway Company to do something. The title ought to read about this way: "To enable the Grand Valley railway to be operated by the corporation of the city of Brantford."

Mr. REID: Does the hon. gentleman suggest that the title should be changed?

Mr. GRAHAM: I am not sure that my hon. friend can change the title of the Bill, because he did not change the Bill at my suggestion; but to be consistent, I say the title should so read. We are not giving the city of Brantford any rights to anything, my contention being that that power comes from the Ontario Legislature, under whose jurisdiction the municipalities are. The railway is under our jurisdiction, and the object of this legislation is to allow the operation of the railway by the city of Brantford. My hon. friend did not accept my suggestion, and therefore he will have to allow the Bill to go through in this way; but my objection is well taken.

[Mr. Pugsley.]

Mr. REID: I know the objection that the hon. gentleman raises, but I cannot see that that will make any difference so far as the Bill is concerned. It is the corporation of the city of Brantford that is making application to have this Bill passed transferring the Grand Valley railway to the operation of the city of Brantford. If the suggestion made by the hon. member had been taken in committee—

Mr. GRAHAM: I raised the same objection, but it was not acted upon.

Mr. REID: I mean in the Railway Committee. Personally, I do not see that it makes much difference; if we change the title now we will have to make the rest of the Bill fit in with it. I do not think anything will be gained by the change, and we might as well let the Bill go through.

Mr. GRAHAM: I am not objecting to the Bill going through, but my opinion, although I am not a lawyer, is that as a matter of law we have no right to enable municipalities to do things. That right comes from the province. We have the right to give power to the railway company. This Parliament incorporated this railway company, and we are really giving the railway the right to be operated by the city of Brantford.

Mr. REID: Sometimes a layman's opinion is a good deal better than a lawyer's.

Mr. GRAHAM: I have made myself clear anyway.

Mr. ROGERS: You will not be held responsible.

Mr. GRAHAM: I think that in future we ought to be careful to have Bills worded properly, so that no question can arise as to a municipality exercising powers that it does not possess. If the province of Ontario did not give the city of Brantford this power this Bill would be of no use to the city.

Mr. COCKSHUTT: There is one precedent for this, and that is the case of the city of London, which runs the Port Stanley road.

Mr. GRAHAM: I have no objection to it at all. I am objecting only to the technical wording of it.

Mr. COCKSHUTT: I understood that the hon. gentleman was objecting to the city having power to run the railway.

Mr. GRAHAM: No.

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

CONSIDERED IN COMMITTEE.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Bill No. 23, to incorporate the Ontario Niagara Connecting Bridge Company—Mr. German—further considered in Committee.

Mr. PARDEE: I will have to ask that this Bill stand. There has been an amendment proposed, it was handed to me only to-day, I have not had an opportunity of communicating with the promoters of the Bill, and the hon. member for Welland (Mr. German) is not here.

Mr. REID: I proposed that amendment. When this Bill was before the Railway Committee I thought that the clause I had proposed had passed, and the solicitor of the Department of Railways and Canals told me that this clause as I had suggested it was to be inserted in the Bill. He cannot understand why it was left out. It is in every railway Bill.

Mr. GRAHAM: That is the standard clause?

Mr. REID: The standard clause; that is the reason I proposed it. The hon. member for Hamilton (Mr. Stewart) has handed me an amendment which he wishes to have inserted in the Bill. He tells me that he has mentioned it to the hon. member for West Lambton (Mr. Pardee). As the Bill is to stand, I will give notice of the amendment. It is proposed to amend section 10 by adding a subsection to be known as subsection 2 and to read as follows:

The company shall not construct any of the works mentioned in section 8 in or over any property of the province of Ontario or under the control of the Commissioners of the Queen Victoria Niagara Falls Park without the consent of the Lieutenant-Governor in Council.

I suppose there is no objection to giving the notice and we can discuss it when the Bill comes up again.

Progress reported.

Bill No. 28, respecting the Kettle Valley Railway Company, and Vancouver, Victoria and Eastern Railway and Navigation Company—Mr. Green—further considered in committee.

On the schedule:

Mr. GRAHAM: Is this to confirm an agreement?

Mr. GREEN: This is for the ratification of an agreement between the Great Northern Railway Company and the Canadian Pacific Railway Company for running rights over the Kettle Valley railway. The Vancouver, Victoria and Eastern railway is a branch of the Great Northern.

Mr. GRAHAM: And the Canadian Pacific controls the Kettle Valley?

Mr. GREEN: Yes.

Bill reported.

SHELL CONTRACTS.

PROPOSED COMMITTEE OF INVESTIGATION.

Consideration of the proposed motion of Sir Wilfrid Laurier, for the appointment of a special committee to inquire into the purchase of shells, etc., resumed.

Mr. PUGSLEY: Mr. Speaker, I purpose devoting a very short time to some remarks on the question of shells, and then I will proceed to discuss the question of fuses, and in connection with that I purpose reading to the House a communication which I have received from Colonel Carnegie, a member of the Shell Committee, and which I deem it only right and just to him to read to the House, because he has expressed a desire that I should do so.

With regard to shells, there has been an effort made by the Minister of Militia and others to convince the House that the making of shells was a matter attended with very great difficulty and that it was almost impossible to induce Canadian manufacturers to engage in the work. It is interesting to compare the statements which the Minister of Militia and other hon. gentlemen opposite have made at different times. I find on page 305 of Hansard the following report of a statement made by the Minister of Militia:

On the 24th August, 1914, the War Office sent us a letter, asking if we could procure for them a small order for shells in the United States. On reflection, it struck me that the highly equipped industries of Canada, which were standing idle at the time, could readily manufacture shells. I had seen shrapnel shells being made in the arsenal at Quebec, and it is merely a blacksmith's job. Accordingly we called a meeting of the Canadian manufacturers.

The Minister of Militia says that the making of shrapnel shells is merely a blacksmith's job. In another part of his speech the minister sought to convey the impression that the manufacturers were timorous about engaging in the work, and he gave the idea that there were great difficulties attending it. That statement conflicts with the statement made by

Colonel Carnegie in the report of the work of the Shell Committee which was submitted to the House by the Prime Minister, and the portion of which I am about to quote will be found on page 1569 of Hansard. After referring to the meeting of certain manufacturers with the Minister of Militia, it goes on to say:

> At a meeting of the above, the whole question was fully discussed. Lt.-Col. Lafferty described in detail the manufacture of the shells and their component parts, and Col. Greville Harston dwelt with the system of inspection. Drawings and specifications were shown and explained, after which the meeting assured the minister that the work could be done in Canada.

Yet the minister would have us believe that it was a number of days after that meeting before any manufacturers could be induced to engage in the work.

Now, with regard to the Minister of Militia being in constant touch with his appointees, the Shell Committee. I will give some evidence in addition to that which I have already given, and which I think should be convincing to the House. I find that the Minister of Militia made this statement, as reported on page 308 of Hansard:

> I felt that, having got the British Government into the scrape, it was my personal business to see that the thing was run right, and I have yet to learn that it was not run right; and therefore I am at General Bertram's back morning, noon and night in this business.

That statement is confirmatory of all the evidence we have, that the Minister of Militia was in constant touch with the Shell Committee and is responsible for what that committee did. It appears that they reported to him every week; he regarded the committee as his particular baby, and he said that, as he had got the British Government into the scrape so far as the appointing of the Shell Committee was concerned, it was his personal business to attend to it, and to see that things were run right.

It was said by my hon. friend from Calgary that the representatives of the British Government, Mr. Thomas, Mr. Hichens and another gentleman whom he named, raised no question with regard to the actions of the Shell Committee, and that Parliament would be acting as a busybody if it sought to inquire into the matter. I am not impressed with that argument, because, as I have said, this is Canada's business just as much as it is the business of the British Government. The gentlemen who made these purchases were the appointees of Canada—for the Minister of Militia is merely the trustee of the people of Canada—and the moneys which were being expended and the debt which was being incurred were as much the moneys and the debt of Canada as of Great Britain, except that the share of Canada would not be so large as that of Great Britain.

But let us see if this hon. gentleman was right in saying that the representatives of the British Government were entirely satisfied. Reading the reports of interviews which Mr. Thomas gave from time to time, we find that he was far from satisfied. On one occasion he spoke of "lifting the veil," —a singular expression for a man to use who had found everything satisfactory and who felt that the veil could be lifted without injury to anybody's feelings and without disclosing anything wrong. The report of an interview with Mr. Thomas was submitted to the House by the Prime Minister himself, and I take it that the right hon. gentleman is satisfied that it is an authentic and correct report. In that account are these words:

> He—

That is, General Bertram.

> He has distributed the orders for the smaller shells in lesser quantities and over a wider field than Mr. Thomas, looking at the matter from the British tax-payer's point of view would have done. But in that General Bertram was guided by a wish to relieve industrial depression prevailing in Canada over as wide an area as possible.

Mr. ROGERS: Hear, hear.

Mr. PUGSLEY: "Hear, hear," says the Minister of Public Works.

Mr. ROGERS: That is right; quite right.

Mr. PUGSLEY: I could understand, if this Government was paying these extra charges out of the treasury of Canada, that it might be justifiable for the appointees of the Government to give encouragement to industries throughout the country, and to pay higher prices than they otherwise would for that reason. But what right had these appointees of Canada to take the money of the British treasury, not for the purpose of helping the Empire to win the war, but to encourage the industries of Canada and relieve industrial depression? There is no doubt this Government was anxious to give to their favourites in different parts of Canada orders for shells. I give them credit for being desirous, and honestly desirous, of relieving industrial depression in Canada. But what they ought to have done, if they thought that

desirable, was to give a bonus out of the Canadian treasury, instead of taking the money out of the pockets of the British tax-payers. Would not that have been the fair and honest course? To-day, the Government stand in this position: that their appointees have taken from the British taxpayers the enormous sum of upwards of eighty millions of dollars; and these gentlemen say: We were seeking to encourage industry in Canada and to relieve industrial depression. Is it not a shame and a disgrace that gentlemen should be called upon and compelled to defend the action of the Shell Committee upon such a ground as that?

Mr. ROGERS: It is a greater shame to make the reckless statements the hon. gentleman is making.

Mr. PUGSLEY: In his heart, my hon. friend knows that the statement I make is absolutely true.

Mr. ROGERS: Absolutely reckless.

Mr. PUGSLEY: And if he reads the records, he will be the first to agree that I am stating what is true. He will make these charges without the evidence, without knowing the facts. But let him learn the facts, and he will hesitate to make statements of this character. He knows, or ought to know, and will know if he reads the evidence submitted by the hon. member for Carleton, N.B., that I am stating what is true. Let him compare the excessive prices paid for these shells with what they could have been made for, allowing a reasonable profit to the manufacturers, and he will agree with me that when I put the sum at eighty millions of dollars, I am putting it below the amount at which it might well be put. This account of Mr. Thomas's views goes on:

> The profits of the manufacturers, in Mr. Thomas's judgment, had been higher than they were entitled to.

Is that the evidence of a man who is satisfied that business methods have been pursued? Mr. Thomas comes out from England upon a very delicate mission. He comes because of the dissatisfaction existing at the centre of the Empire, and his mission is to look into the question and get rid of the source of the evil by which the British taxpayer is being mulcted to a large amount. He goes to work diplomatically; for he necessarily must be very cautious in what he says. There is every reason why he should speak as favourably as he can of the actions of the Shell Committee; and he must have every desire not to quarrel with the Government whose appointees the Shell Committee are. Still he feels compelled to say that the profits of the manufacturers have been higher than they were entitled to. And he goes on:

> This was perhaps difficult to avoid under the circumstances.

And what were the circumstances? One important circumstance was that the Shell Committee was endeavouring, not to fulfil primarily the demands of the war, but to relieve commercial depression throughout Canada; and to this end they were giving small orders and encouraging the creation of these mushroom companies in different parts of the country. Under these circumstances, it was difficult to secure shells at fair and reasonable prices. The account proceeds:

> Anyway, that is past history, so far as Mr. Thomas is concerned.

He had spent three long months looking into this matter, to see how he could get rid of the Shell Committee, and he succeeded at last. He saw the Imperial Munitions Board in sight, but in leaving the country he tells the people that prices have been higher than they ought to have been, and also, that he would not have distributed the orders over a large area and in small quantities, as the Shell Committee had done. But he recognizes that the object is to relieve industrial depression in Canada, and, under all these circumstances, he says, perhaps the high prices could not have been avoided.

This Shell Committee, influenced by somebody—influenced probably by the gentleman to whom they reported every week; influenced by the gentleman who appointed them, influenced by the gentleman who would recognize as well as any one else what benefit it would be to this Government—was desirous to get something started which would relieve the industrial and commercial depression which had come to Canada, which had spread from the Atlantic to the Pacific a year before the war started, and for which the inactivity and want of progressive ideas on the part of this Government were largely responsible. Under these circumstances the Shell Committee was obliged, under its non-competitive policy of having fixed prices at definite times, to give the same price to the large manufacturers with established plants as they gave to the small companies. In the latter case an order for, say, 10,000 shells

would embrace the first cost of the plant as well. It is no wonder, Sir, that under these circumstances profits to those having large orders ran to enormously large amounts. It is no wonder that Mr. Thomas was amazed when he came to Canada and found that these high prices had been paid. It is no wonder that although he desired to smooth over all difficulties as well as he could, he was obliged to say that he would not have done as the Shell Committee had done; that, while higher prices prevailed under all the circumstances, this, perhaps could not have been avoided. Then he said that under the new system of competitive tendering which has now been adopted by the Shell Committee—he preferred to call it the Canadian Munitions Committee—there would be no cause for complaint in this respect. What stronger condemnation can you have than that?—that Mr. Thomas came to Canada and found the state of affairs to which I have referred—which has been proved conclusively to this House, and which no one has questioned. He found that the Shell Committee were not asking for tenders; that the prices which they were fixing covered the cost of the plant, thus giving the advantage to the big manufacturers whose plants had already been paid for two or three times over He immediately put a stop to this. When he succeeded in making arrangements for the new Munitions Board it was provided that they should call for tenders. I say that that was a strong condemnation. Hon. gentlemen say that this was a mere mistake. The right hon. the Prime Minister says that no doubt the Shell Committee made mistakes; the hon. member for Calgary (Mr. R. B. Bennett) says the same thing. But, in view of the fact that these mistakes have cost Canada and Great Britain the enormous sum of $80,000,000, a man would be very tender in his feelings towards the Shell Committee if he did not think that these things amounted to more than mistakes; that they ran into such misconduct and such malfeasance as would justify one's characterizing them by a much harsher name.

The right hon. Prime Minister made an extraordinary statement with regard to the manufacture of shells. He has told this House that almost ever since he and his colleagues came into office they had the feeling that there was danger of war between Germany and the British Empire. He stated probably a year ago that as long ago as January, 1914, owing to secret information which was received from the British Government his Government took action to organize a service which would be devised by the deputy ministers of the different departments, and a committee was formed, at the head of which was Sir Joseph Pope. Yet as late as August 24, nearly a month after war had been declared—when the Minister of Militia, observing the manufacture of shells at the Quebec arsenal, had seen that it was only a blacksmith's job—the Prime Minister had grave doubts as to whether shells could be made in Canada in any large quantities, in the immediate future. When the Prime Minister and his far-seeing businesslike colleagues, gentlemen with business acumen, heard that there was likely to be war, would you not have thought that, if they had a reasonable regard for the interests of the country, they would have looked into the question of what Canada could do in the way of making munitions? Did their vision never go beyond the sending of our men to take their places in the battle line? Did they not think of shells, guns, rifles, explosives? If the Prime Minister and his colleagues had visited the Quebec arsenal they would have found them manufacturing shells there. True, the manufacture of shells at the Quebec arsenal is carried on only in a small way; but one would have supposed that, if hon. gentlemen saw this great danger to the Empire, they would, months before the war broke out, have taken steps to enlarge the arsenal and equip it with proper machinery, so that if the day of battle should come Canada could be in a position, through her own arsenal, to turn out munitions of war for the assistance of the armies of the Empire. Does it not seem incredible to you, Mr. Speaker, that a month after the war had broken out the Prime Minister had doubts as to whether shells could be made in Canada in any large quantities? One would almost think that the Prime Minister had been asleep during the fifteen or eighteen years of Canada's wonderful prosperity, One would think that he was oblivious to the fact that great industries had been created during those years; that marvellous strides in the way of industrial development had been made, and that, when war broke out, as has since been demonstrated, Canada, in proportion to her population, was better equipped for carrying on manufacturing of any kind or description than any

other country in the world. These gentlemen express themselves as amazed at what Canada did, and at what the Canadian manufacturers did, as if they were surprised to learn that Canadian manufacturers are just as skilful, just as energetic, just as resourceful as the manufacturers of any part of the British Empire or of any other country. They seem to have been amazed to find Canadian workmen as skilful and intelligent as the workmen of any other country. We on this side of the House have nothing but praise for the manufacturers of Canada. What we are astonished at is that gentlemen on the other side of the House should be so amazed to find that the Canadian manufacturers could do as well as the manufacturers of any other part of the British Empire. We are not astonished that they were able to do as well as they did. We should have been astonished and amazed if they had not done as well as they did, because we knew of their capabilities, their energy, their intelligence; we knew of the skill with which the workmen would apply themselves to the task of turning out these munitions.

Before dealing with the question of fuses, I wish to say that I received a letter from Col. David Carnegie which I think it is only just to him that I should read to the House and place on Hansard. I am sure that that is his wish, because he requests that I should give publicity to his repudiation of the charge which he thinks I preferred against him. The letter is as follows:

Imperial Munitions Board,
Ottawa, February 26, 1916.

Dear Sir,—A few days before leaving England I received a cutting from the Toronto Star of January 20, in which the following statement was made purporting to be an extract from a speech made by you in the House of Commons, Ottawa, January 19:

"What did General Bertram do after receiving his knighthood which I believe must have been given him as a handy way to get rid of him? General Bertram declared that he himself and he alone fixed the prices. But he hasn't stated the whole facts. Col. Carnegie was associated with him and these two men distributed favours to their friends and themselves. This was entirely irregular. Millions of dollars have been taken from the British taxpayer by reason of the system."

I should have passed the matter over as unworthy of notice had it not been raised in Parliament by a responsible member such as yourself with a decided intent to reflect upon my integrity. Whatever prompted you to associate my name with irregular practices I care not, but I cannot allow such statements to pass unrefuted as you have personally attacked me. I not only resent with my whole soul the charges it is reported you made, that I with General Bertram placed contracts with friends and favourites, but I deny them absolutely.

I have the charity to believe that you have given utterances to allegations about which you had no ground for proof and that you have no knowledge of the man whose character you have impeached. Confident of this I give at some length an account of my connection with the committee and demand a public explanation and apology.

If you are in doubt about the character of the man against whom you have launched such charges I would refer you to my records for fifteen years in the Government service at Woolwich Arsenal, for four years at Hadfield's Sheffield, and for four years at Samuel Osborn's, Sheffield, and latter to my career as private consulting engineer in London.

If you will inquire at the various learned societies in England and Scotland; if you will inquire into my social and public work for my fellows in the cities in which I have lived; if you will closely investigate every act of service I have rendered to the Shell Committee since September, 1914; if you will examine the records of all transactions with which I have been engaged; if you will discuss with manufacturers minutely my dealings with them and also inquire of the gentlemen who visited Canada from England with the object of investigating the work of the Shell Committee, I defy you or any other man to find the slightest trace of any irregular practice of conscious wrongdoing in any work with which I have been connected and with any part of the committee's work I have handled.

I have received words of appreciation from Lord Kitchener and the personal thanks of Mr. Lloyd George in connection with my services on the Shell Committee.

I came to Canada at the beginning of the war a comparative stranger. I have laboured incessantly not only in connection with the work of the Shell Committee but with a view to the industrial development of the country and I believe I have the confidence of the Prime Minister, Sir Robert Borden, and the Minister of Militia, General Sir Sam Hughes, who have closely followed the work I have done in connection with the committee.

Reference has been made to my connection with a Welland company. About four years ago I visited Canada with the object of investigating how far the steel manufacturing industry could be developed in the country and I ultimately decided with other friends to start steel manufacture in Welland by utilizing the cheap electric power obtained in the district. I invested my own capital and induced others in England to invest theirs. Being an expert in steel manufacture, I was appointed a director of, and consulting engineer to the company, and at my office in London designed the works which were ultimately completed just before the war broke out. Instead of taking the usual consulting fees such as I received from clients for whom I was doing similar work in Britain and the continent, I decided to accept payment over a period of five years so that the company would not at the outset be taxed unduly. I did this because the company had difficulty in raising capital in Canada which the Canadian directors fully expected to obtain.

I arrived in Canada towards the end of September, 1914, with the object of starting up the new works. Before my arrival the Shell Committee was formed, an order was placed with the Welland Company for shells, and the first price to be paid was already fixed.

I had no knowledge whatever that a Shell Committee had been formed or that shells were to be made in Canada, until after I arrived. I wish to emphasize this fact as it has been stated that I was party to the placing of shell contracts with the Welland Company at the high price originally given by the War Office.

Having a thorough knowledge of shell manufacture, being for many years in charge of the various branches in the shell department at Woolwich Arsenal, the attention of General Hughes was drawn to this fact and my services were commandeered right away for three months to instruct Canadian manufacturers in the art of shell making.

As the Welland Company with which I was connected had received an order for shells and my brother, Mr. E. Carnegie, was general manager and also member of the Shell Committee, I placed my resignation in the hands of the board and also suggested the withdrawal of my capital, notwithstanding the fact that General Hughes and the members of the committee knew my connection with the Welland Company before my appointment as Ordnance Advisor. My fellow directors would not at first accept my resignation as they stated it would jeopardize the interests of the shareholders who had been induced to place their capital in the company because they knew me and depended upon my expert help in making it a success. They also referred to the agreement I had with the company to give them my services as consulting engineer. Financially it would have been inconvenient at the time to pay me out, but I persisted in resigning immediately from the directorate, stating that I should give to them the same assistance as to any other company engaged in the manufacture of munitions. I stated also that I should withdraw my capital immediately I saw the company was in such a position that I could sell out without interfering with its success. The company ultimately consented to liberate me from my obligations as their consulting engineer, and I have had no financial or other interest in the company since last September.

That was September, 1915, a year after the first order was given.

As my term of service with the Shell Committee as Ordnance Advisor was for three months only, I was advised by many of my friends that I was making a needless sacrifice in resigning my directorship of the Welland company. The committee at that time understood that no more shells would be required, and only a few companies were willing to undertake the work even after a guarantee had been given that any loss would be made good in the event of the work not paying.

The Welland Company with which I was connected received the orders because of my brother's knowledge of shell manufacture, he being one of the few men in Canada who knew anything about the work.

At the end of three months I returned of England, saw the officials of the War Office, informed them of Canada's ability to produce shells and obtained their permission, after much discussion, to use basic steel in Canada for high explosive shells. This had never been previously granted and meant a very great deal to Canadian steel manufacturers who produced only basic steel. I also induced the War Office to place additional orders for shells in the Dominion.

I was asked by the Shell Committee if I would continue my service as Ordnance Advisor

[Mr. Pugsley.]

without stating any definite period, it being expected that the orders then placed would be completed in the spring. I threw in my lot not knowing how long I would be required to act, and on my return to Canada I had most attractive offers made to me by private companies, the remuneration from which was very many times more than that paid to me by the committee. I mention this fact simply to show that it was not a matter of money with me at all, but the highest sense of duty which impelled me.

While in England it was suggested to me by Lord Moulton that we should try to manufacture trinitrotoluol in Canada. This was quite a new departure for Canada, and I urged that the matter be taken up with earnestness. Through the efforts of General Hughes and Mr. Plummer, of the Dominion Iron and Steel Company, Sydney, N.S., plants were erected in less than four months for the production of toluol from the coke oven waste gases which were subsequently trinitrated and shipped to England. To-day several plants are now producing T.N.T. and approximately eight hundred thousand pounds are being produced.

At the suggestion of General Hughes, with the support of Sir Robert Borden, a commission was appointed to investigate the feasibility of refining copper in Canada and producing metallic zinc. I had the honour to be chairman of the commission on which Professor Stansfield, of McGill University, and Dr. Wilson, of the Mines Branch, gave most valuable assistance in accomplishing the end we had in view, and to-day both zinc and copper are being refined in Canada. I have striven to encourage the development of Canada's manufactures to include every possible material required for the complete round of ammunition. At the beginning of the war we were dependent entirely upon the States or England for many of our materials. To-day all classes of material required are now being manufactured in Canada. Some of the new industries established will become permanent in the supply of domestic requirements hitherto imported These facts alone are of more value to me than all the thanks and praise that man can give.

I just pause here to remark that the Minister of Militia led us to understand that the use of basic steel was entirely owing to his original thought on the subject; but Col. Carnegie appears to claim that he is entitled to credit for that suggestion.

Last April General Sir Sam Hughes added my name to the list of members of the committee, an honour which I esteemed highly, particularly as it was unsought. During my whole connection with the Shell Committee, before I was a member and since I was appointed a member, it has always been a pleasure to work along with General Bertram and the other members of the committee. General Bertram and I were virtually the executive for many months together, until latterly when the work of the committee increased Mr. Riddell was appointed financial advisor.

During these months of incessant work from early morning until midnight, I have had the pleasure of meeting many talented Canadians, whose ability, energy and charms I have coveted. I can say without the shadow of doubt that in all my associationes with the Canadian Shell Committee and the many manufacturers

with whom I have had the pleasure of doing business, I have not detected any sugestion of what is known in Canada as "Graft" or crookedness. Had I, as a stranger to Canada, believed that the men of business were soaked in habits contrary to the laws of morality such as some writers to the press would suggest, I would despair of seeing Canada that great and industrial asset of the Empire which I have not only dreamed it will become, but to which end I have worked with my whole strength.

While in England, from which I have just returned, I have been on Canada's business working with constant diligence in securing additional orders for shells and materials, the details of which are well known to the ministry there.

I have written at length as a strong protest and an emphatic denial of the imputations made upon my integrity. I shall be the last to admit that in an organization such as the Shell Committee, which in the course of a year grew from a small institution to one of the most responsible in Canada, no mistakes were made in dealing with the many-sided problems which faced us. The wonder to me is that many more mistakes were not made. When the mistakes of the Shell Committee are compared with the mistakes made by similar organizations at home one is amazed to find anywhere in Canada a discordant note regarding the work rendered by a body of men who gave their services so willingly during the Empire's struggle.

I remain, sir,

Yours very truly,

David Carnegie.

The Hon. Wm. Pugsley, M.P.,
Ottawa.

To that letter I replied as follows:

February 29, 1916.

David Carnegie Esq.,
Imperial Munitions Board,
Ottawa, Ont.

Dear Sir,—I am in receipt of your valued favour of the 26th inst., which I have read very carefully and with much interest.

As a considerable portion of your letter is based upon what purports to be a condensed newspaper report of my remarks made in the House of Commons in criticism of the Shell Committee, I take the liberty of enclosing you herewith a copy of Hansard containing a full report of my speech. If you will be good enough to point out any portions of my remarks which were not correct, or of which you complain, it will afford me much pleasure to read your letter in the House at the first convenient opportunity. I should be very sorry to do you or any one else an injustice. You will please bear in mind that that part of my criticism to which you appear to give special attention, was directed against, what seemed to me, the improper and unbusinesslike methods pursued by the Shell Committee which resulted in greatly excessive prices being paid, and that companies of which members of the committee were either the directing heads, or in which they were largely interested, participated in these excessive prices so fixed by the committee.

I am,

Yours very truly,

William Pugsley.

To that I received the following reply:

Imperial Munitions Board,
Ottawa, March 3, 1916.

Dear Sir,—I thank you for your letter of the 29th February, received yesterday afternoon together with copy of Hansard containing a full report of your speech of the 19th January.

The condensed newspaper report of your speech (extract of which I gave in my letter of the 26th February) differs little from your statements on pages 79 and 80 of Hansard, which are as follows:

"This Shell Committee fixed the prices which one company, of which the Shell Committee's chairman was vice-president, and another company of which Mr. Carnegie, another member of the Committee, was manager, were to receive for shells. In other words, the Shell Committee fixed the prices in the benefits of which some of its members were to share."

It is quite clear to me that you thought I was manager of the Welland concern, and as manager was fixing prices for shells ordered from that company.

Let me pause here to remark that I did not mention the name of Col. Carnegie in that connection. Perhaps I did 9 p.m. not draw a clear enough distinction between Col Carnegie and Mr. E. Carnegie. I knew that Mr. E. Carnegie had been a member of the Shell Committee almost from the start, and I was informed that that gentleman was the managing director of the Welland company, which got a very large order at what Col. Carnegie himself says was a high price. That is what I had in mind, not intending to reflect on Mr. Carnegie's personal integrity, but as evidence of the unbusinesslike methods which this Shell Committee had pursued. I say that it is wholly contrary to good business principles for men engaged as trustees in work of this character to be both buyers and sellers. It is entirely contrary to good business methods, and in ordinary business it would never be admitted. If a trustee bought for his trust estate property in which he was interested, the courts would rip up the transaction without looking into the merits of the case, because they would say that no man in that position had a right to occupy the dual position of buyer and seller. That is what I complained of, that a member of the Shell Committee was the managing director of the Welland company, which got an order running up to millions of dollars. That is not denied by Col. Carnegie; he only says:

"When you made that statement you gave Parliament to understand that it was Col. Carnegie, myself, who was the managing director of the Welland company, and that

statement is an imputation upon my honour; that is a charge made before the world that I did something I ought not to have done." By Col. Carnegie's judgment as to what is an impeachment of a man's honour, let other members of the Shell Committee be judged. Let his brother, who is the managing director of this company, and who was on the Shell Committee from the start, be judged by the standard which Col. Carnegie lays down for himself; and let Col. Cantley and the other gentleman—I forget his name—who was on the committee also, and who was interested in some of the companies in Toronto which got large orders, be judged by the standard which this high-minded gentleman lays down as the standard which ought to influence and guide gentlemen placed in their position. He says:

It is quite clear to me that you thought I was manager of the Welland concern, and, as manager, was fixing prices for shells ordered from that company.

That is not what I meant at all. I did not say that he, as manager of that company, fixed the prices. It was the Shell Committee who fixed the prices, neither the Welland company nor any other company in Canada had anything to do with the fixing of the prices. It was the Shell Committee who fixed the prices which applied to themselves, to their companies, and to the other big industrial companies which had, as I have said, already established plants, and to all the little mushroom companies which were given small orders at excessive prices, which include the first cost of the plant as well. That, as I have said, was entirely improper conduct, and conduct which every business man would condemn. He proceeds:

You state on page 80: "I am told that Mr. Carnegie, whose company was receiving a large number of orders, was the only member of the committee who was acting with General Bertram; that it was these gentlemen who, in large measure, distributed these favours, as I have said, to the amount of a vast sum of money distributed them among themselves.

I wish to particularly emphasize that my brother Mr. E. Carnegie who does manage the Welland concern had no more to do with fixing the prices than any of the other manufacturers outside the membership of the committee. The prices were fixed by General Bertram alone, during the early part of the committee's work, and later by General Bertram and myself. I deny that at any time I distributed favours to manufacturers or to myself. It is gross libel and I will allow those who to know the work I have done and who are not led by misstatements in the press, to judge as to the integrity of my character.

Your references in your letter to the improper and unbusiness like methods pursued by the Shell Committee give me not the slightest concern. I am quite happy to allow those who are in a position to know and who have already expressed opinions worthy of consideration, to judge of the valuable services rendered to the Empire by the members of the old Shell Committee.

I repeat my request for a public apology.

I, am, Sir,
Yours very truly,
D. Carnegie.

Hon. Wm. Pugsley, M.P.,
House of Commons,
Ottawa, Ont.

I have nothing for which to apologize to Colonel Carnegie. I am very glad indeed to do him full and complete justice as far as I can by placing upon Hansard the two letters which he has written to me. They state his position and it will be for the public to judge whether or not there has been any intentional slandering of him or any intentional impeachment of his honour on my part. I am not conscious of having done anything for which I should apologize, and I have nothing to retract from my remarks in my speech on the Address. There is nothing in Colonel Carnegie's letter to detract from the statement I then made, and which I repeat: that the members of the Shell Committee were directors, and in some instances the directing force, of companies which received orders for vast quantities at prices far and away beyond what was reasonable and fair. That is the important statement which I made in the debate on the Address and that is the important statement which I make to-night; that these gentlemen were in effect both buyers and sellers, and that as buyers they fixed the prices at which they would buy from the companies of which they were themselves the directors, which prices were far and away beyond what was fair and reasonable, that is the criticism which I make with regard to members of the Shell Committee. I do not charge them in that respect with fraud, I do not charge them in that respect with criminal intention, but what I do charge is that there was a duty devolving upon them, a duty devolving upon the Minister of Militia and upon the members of this Government which appointed this committee, to see that they discharged the trust reposed in them in a reasonable and businesslike manner. When it is proved in this House—as it is proved by the figures presented by the hon. member for Carleton —that in the giving of these orders in a short period extending over some fifteen or eighteen months, there was unnecessarily taken out of the taxpayers of Canada and

of the United Kingdom the enormous sum of upwards of $80,000,000, we have the strongest possible ground for complaining of the unbusinesslike and improper methods that were pursued. I have already said that if the Government of Canada in the exercise of their judgment thought it wise to encourage industry throughout the country and to relieve industrial depression, the aid for that purpose ought to have been taken out of the Canadian treasury and not out of the pockets of the British taxpayers.

But, Sir, the Minister of Finance has been made very comfortable by these enormous war profits. I can well understand, whenever the Prime Minister would hear of these excessive prices, the Minister of Finance saying to him: My dear Premier, don't you worry. The Finance Minister is far-sighted; he is looking forward to the revenue. He said: Don't you worry over the $80,000,000 of excess profits which these war munitions manufacturers may get; I am going to take twenty-five per cent of it back and put it into the Canadian treasury; don't you worry, Sir Robert. I can imagine the Minister of Finance looking towards the heavens with that beatific smile which covers his face when he is evolving some great and beautiful thought, and I can imagine him saying to the Prime Minister: Don't you worry. The Finance Minister has now come down with his taxation measures along these very lines and he proposes to take back twenty-five per cent of the profits which have gone to the manufacturers, and which are to be paid jointly by the British treasury and the Canadian treasury. If, as I suppose, the British treasury pays about ninety per cent and the Canadian treasury ten per cent, the Minister of Finance will be in the happy position that while Canada is only paying ten per cent of these excessive profits, he will get back twenty-five per cent and the Canadian treasury will be fifteen per cent to the good when the matter is finally closed. No wonder the Minister of Finance has been during all these months looking forward with happy anticipation to this means of supplementing the revenue. My hon. friend has also made the fact that he is going to impose taxes upon the manufacturers of munitions of war, an excuse for presenting it as a system of taxation and exacting taxes from the general business interests. He thinks he will be able now to say to the people: You cannot complain, because, as you see, we are taxing the war profits.

I would have supposed that there were two or three plain duties devolving upon this Government and upon the Shell Committee. One, to get munitions of war at the lowest possible price, and another to carry out in good faith the assurance which my right hon. friend the Prime Minister had given to the people of Great Britain, that Canada was prepared to consecrate her resources to the service of the Empire. If the Government wanted to relieve industrial depression throughout Canada by establishing small manufacturing concerns and giving them small orders for munitions, they should have said to these concerns: You must take these orders at reasonable and fair prices. If the Government found it necessary to bonus them by paying them a price that would cover the cost of plant, they should pay it out of the Canadian treasury, and not out of the pocket of the British taxpayer. I would have thought that that would be the view which the Shell Committee would have taken.

I shall now, in concluding, make reference to the purchase of fuses. There is no question about the truth of the statement which was contained in the speech of my right hon. friend the leader of the Opposition, that there was great and unnecessary delay in the production of the finished shell which has greatly hampered the work of our armies at the front. If hon. gentlemen need any further proof of that, let them read the statement which was published by the Imperial Munitions Board, through Mr. J. W. Flavelle, the chairman, and in which he said that the Shell Committee had gone on making empty shells, and had paid no attention to the question of procuring fuses. He said that it would be a waste of money to continue turning out the empty shells until they could catch up with a supply of fuses. This is the statement, in concrete form, which is made: That the Shell Committee neglected, delayed, and failed to endeavour to provide for the construction in Canada of an adequate supply of fuses; that it proceeded to award to Mr. J. Wesley Allison, on behalf of a foreign corporation, a contract amounting to $22,000,000, and made an advance of $3,750,000; that the making of the contract through Colonel Allison was unwise and improvident, and was entered into with the knowledge and connivance of the Minister of Militia, and that the Shell Committee failed to obtain delivery of the fuses within a reasonable time. That is the charge which I

make and which we can prove if the motion of my right hon. friend (Sir Wilfrid Laurier) is granted. And, Sir, is not that a serious charge to make against this committee and against the Minister of Militia? It is that that committee went outside of Canada to the United States for the purpose of obtaining an article which they could just as easily have obtained in Canada; that they negotiated there through Colonel Allison, giving through him an order for the enormous amount of $22,000,000. Think of it, Sir, $22,000,000 given to two companies who, as I charge, had no plants to enable them to manufacture fuses, and to whom the Shell Committee advanced the enormous sum of $3,750,000 in order to enable them to equip their plants so that they could engage in the manufacture of fuses. Why did they not do that for Canada? Is there any hon. gentleman opposite who will justify the Shell Committee and the Minister of Militia in respect of the giving of this vast order for fuses in the United States under the circumstances which I have mentioned? I pause for a reply. The Minister of Militia has gone away, and he has left here an hon. gentleman who, he says, will represent and defend him. I ask that gentleman to rise in his place to-night, if he will venture to do so, and say if he justifies the Shell Committee for giving this order for fuses in the United States. Sir, it cannot be done. The same advance of $3,750,000 to Canadian manufacturers would have secured the manufacture of fuses in this country just as well as such an advance could secure their manufacture in the United States. When I tell you, Sir, that not very long after this, upon the urgent request of a manufacturer in Canada, an order was given at a lower price and for only about half a million fuses, as was shown in the figures presented by my hon. friend from Carleton, N. B. (Mr. Carvell), you will see how utterly unjustifiable was this transaction. While in my speech on the Address I referred to this matter of fuses being ordered in the United States and made some very severe charges against the Shell Committee in respect of them, yet Colonel Carnegie, in the letters which he addressed to me, did not think it worth while to refer to the question of fuses at all, although I am told that Colonel Carnegie, the high-minded gentleman who wrote those letters, is the member of the Shell Committee who is largely responsible for the making, through Colonel J. Wesley Allison, of this improvident contract in the United States. I am told—I do not know how true it is, but I believe it is the case; I shall be corrected if I am wrong—that those companies have not yet delivered a single fuse, notwithstanding the fact that the order was given a considerable time ago and that the enormous sum of $3,750,000 was advanced to them.

Now, Sir, I have taken a somewhat longer time than I expected to take; but the matter is of such importance that it seems to me it is worthy of the time which has been occupied. When in the debate upon the Address I made remarks of a general character, but remarks which I knew would, if necessary, be followed up by the evidence when my hon. friend from Carleton came to deliver his speech, I hoped that in a matter of such grave importance, and one in which the people of Canada were so deeply interested, the Government would at once have said that the matter should be investigated; and then it would not have been necessary to make these statements to the House, and the facts would not have become public until they were presented before the committee of investigation. But, although I endeavoured to present, in a somewhat cursory way, the evidence which I had, so as to give to the House an idea of what would be proved in case a committee were formed, not treating the matter in any partisan spirit at all, what was the immediate result? My hon. friend the Solicitor General made one of the bitterest speeches which I have ever heard him make—and the hon. gentleman, although he may not feel any bitterness, can assume it. By his speech he sought to arouse all the worst passions existing in the bosoms of hon. members on the other side of the House; he depicted me as everything that was unpatriotic and unworthy of commendation; and my hon. friends opposite, who usually have a somewhat friendly feeling towards me, seemed on that occasion to be exceedingly changed in their demeanour and almost to feel that I had done something very unworthy of a member of this Parliament.

Some hon. MEMBERS: Oh, no.

Mr. PUGSLEY: In the press of the country, the course of the Solicitor General was followed, and my hon. friend from Carleton was also charged with doing what was unpatriotic and unworthy.

Some hon. MEMBERS: Oh, no.

Mr. PUGSLEY: We come now to the consideration of the resolution of my right hon. friend (Sir Wilfrid Laurier), for whom every one has the highest praise, and we ask, in all candour and in all sincerity, that this expenditure of $380,000,000, in which the people of Canada and the people of Great Britain are interested in proportion to the men whom they will have engaged in battle before this war is over, shall be investigated by a committee to be appointed for that purpose. We do not think that the people of this country will be content to wait, as my hon. friend from Calgary has asked us to do, until the war is over. If there is any member of this Shell Committee, or any member of this Government, or any one who has been employed by the Shell Committee, who, in the language of my hon. friend from Calgary, has washed his hands in blood money, the people of this country have a right to know that fact now. They ought not to be asked to entrust their business longer to men who are guilty in the way my hon. friend from Calgary has described; and it is not to the interest of the people of this country that our only redress shall be that, as my hon. friend says, their children and their children's children shall be remembered with execrations and curses for the advantage which they have taken of the necessities of the people in this terrible war. We think the investigation ought to be now, because the people are demanding it and will be satisfied with nothing less. But, Sir, I cannot believe that hon. gentlemen opposite will be so unwise in their own interest as to refuse so reasonable a request. As I stated at the opening of my remarks, while I think that the charges already made were sufficiently definite, yet, in deference to my right hon. friend (Sir Robert Borden), who wanted some member of the House to rise in his place and take the responsibility of putting these charges in concrete form. I have taken upon myself that responsibility. The Solicitor General (Mr. Meighen), I understand, is likely to follow me. If he does, he may take the technical ground that this motion ought to be dropped and the charge presented in connection with a new and substantive motion. But that would be an objection of the most technical character. The only object of requiring the charge to be made by a member is to relieve the House from frivolous charges being made for which no member ventures to take the responsibility. Let us deal with matters of substance and not with matters of form. We have heard the evidence presented by my hon. friend from Carleton; we have the resolution of my right hon. friend the leader of the Opposition, demanding in the name of the people of this country an investigation into the transactions of the Shell Committee; and you have myself, a humble member of this House, rising in my place in support of the motion, and taking upon myself the full responsibility, as a member of the House, of undertaking to prove these charges.

Mr. Speaker, this Government may ask their supporters to vote down this resolution. They may say to the people of Canada: "No matter what mismanagement, no matter what waste of money there may have been; no matter how improperly this Shell Committee may have acted; no matter how much knowledge the Minister of Militia may have had of these improper and irregular practices; no matter what the evidence may be, yet we are prepared to vote against allowing the light of day to shine upon these transactions; we are prepared to call upon our supporters to prevent an investigation of this matter." But let me tell you, Mr. Speaker, that, although many things have happened during the months which have gone by since we last assembled in Parliament that have tended to weaken the confidence of the people in this Administration, no administration that ever existed in this country ever took a course more likely to be universally condemned by the people than will be the course of this Government if they vote against the passing of this resolution.

Hon. ARTHUR MEIGHEN (Solicitor General): Mr. Speaker, I approach the discussion of this resolution convinced, first of all, that it has not the zealous support even of hon. gentlemen in the minority in this House. I am convinced, furthermore, from observation of the course of the debate, that the heart of the mover himself, the leader of the Opposition (Sir Wilfrid Laurier), is by no means behind the course he has taken. I am not one who can assume, having some knowledge of hon. gentlemen opposite, that there are going to be defections when the formal vote comes. But I am convinced of this, that there are hon. gentlemen on the other side of the House, not a few, who realize the position we are in and what this resolution means, and who, if they had the slightest

fear that this resolution would carry, would step out and themselves help to vote it down. I cannot help but observe the absence from the Chamber, during much of the discussion, of those stalwarts of the Liberal party in this House who have been the backbone of the debates in other days. I cannot but observe the lack of interest on the part of those who mean what they say when they take part in the discussions in this House. Consequently the conclusions my own mind has arrived at are firmly established, and I should not be at all surprised if there were visible, tangible evidences of their correctness before this debate is finished.

It was suggested by the hon. member for St. John (Mr. Pugsley) that I might take the technical ground in regard to a certain paper which he read at the opening of his address—and which he calls a formal charge against the Government of the day, against the Militia Department, and against the Shell Committee and everything else—that, this charge, as alleged, having been made, the resolution should be withdrawn and a committee appointed to investigate the charge. I hasten to assure the mover of the resolution that I have no intention of treating the alleged charge half so seriously.

Though the mover of the resolution may have been animated in some degree by a desire to keep his bargain with the malcontents of his party who voted, or at all events acquiesced, perhaps against their will, in the extension of Parliament, still the only purpose he has in view from the partisan standpoint is to endeavour to place upon the Government of the day the responsibility of voting down an investigation.

Now, I make no novel statement when I say that the Government now in office has not, during its tenure of power, assumed a hostile attitude toward investigations. The rules under which investigations are granted in parliaments in British countries are well established. We have not only in every case complied with these rules, but we have gone, I believe, beyond what has ever been done in any British Parliament. We have, in advance of the times, when the expenditures of the departments of government are entitled to be investigated by the Public Accounts Committee, moved, at the instance of the Prime Minister himself, that the rules of the House and the country in that regard be abandoned, and that the expenditures for war purposes be placed before the Public Accounts Committee. In case any fraud or irregularity of any kind is alleged with respect to war expenditures, we have established a standing commission before whom any man in this country may go and have his complaint investigated. In regard to expenditures of this Government over which we have power of disposition, there is this standing commission now open to hon. gentlemen opposite, or to any others, and before that commission they can go and get at the truth and get a verdict. Has that been done in any other country? Is there a precedent in the British Empire for a wide-open door like that? In the face of that policy, a very strong presumption exists against what the mover of this resolution seeks to establish against this Government.

In this case we are asked not to review the work of the Government of the day, not to investigate a charge of fraud or irregularity even against the appointees of the Government, but to investigate alleged charges of mismanagement by appointees of the Government who, after they were appointed, dispensed the money under the Government of Great Britain. The resolution should be read, because it is some time since it came before the House. I will read it now in order that hon. gentlemen may know the extent of the responsibility they are taking in asking the Government of Canada to establish the precedent that the passing of this resolution would establish. It follows:

> That a special Committee of members of this House be appointed to inquire into all purchases of shells or other munitions or goods by the Shell Committee formed by the Minister of Militia, as stated to this House by the Prime Minister on the 15th April, 1915, together with all contracts made or orders given by the said committee for any shells or other munitions or goods, with authority to the said committee to examine witnesses under oath and to require the production of any documents, books, letters or papers; and that such special committee be directed to report from time to time to this House in such manner as it may think advisable.

Speaking to the resolution, the hon. member for Carleton (Mr. Carvell)—who, after all, is at the bottom of this movement, and whom it is expected to glorify—stated that his purpose was to show that the prices paid in Canada were in excess of the prices paid in United States and in Great Britain. He even thundered forth the awful pronouncement that if we would only give him a committee of investigation he would show that in most cases the prices were 25 per cent greater than in Great Britain. What a catastrophe, what a

fearful state of affairs, it would be if he showed such an awful thing as that. His own leader stated to Parliament not very long ago that it would cost 33⅓ per cent more to build ships of war in this country than it would cost to build them in Great Britain. In the face of that, he demanded that this Parliament and this country do it, and not Great Britain. What I am driving at is this: the purpose of this resolution is to expose to the Canadian people and to the people of Great Britain, to blare to the enemies of this country and the enemies of our Allies, to flare before the face of enemies far and near, all the resources that go to make up the strength of the Allies in this war, whether in Canada, in the United States or in the British Empire. The purpose of the resolution could never be served unless the fullest inquiry were made into the conditions of every factory in the United States—yes, and in Great Britain—competing with the factories of Canada. The purpose of the resolution could not be served unless in Great Britain facts were disclosed which the Government of Great Britain have denied to the British people, but which we are asked to expose not only to the British people but to the world at large at the behest of the hon. member for Carleton. Is it the solemn desire of this House to fly in the face of the war policy of the British Government? In a letter to the Prime Minister himself Mr. Lloyd George has said that it is the policy of the British Government—he has repeated this over and over again in the Commons in England—neither to expose documents of state that bear on the resources of Canada in regard to the supply of munitions, nor to give the prices that the British Government are paying for munitions in their own country. Are we to deny wisdom to David Lloyd George and accord it to the hon. member for Carleton? I bow the reverential knee to the hon. member for Carleton in some matters. He is evidently a mechanical genius; when it comes to tin cups and plugs, brass sockets, and friction tubes, he can tell the House a good deal; but in the matter of the management of the war he will please excuse me if I cling to Lloyd George for a little while yet. Can he tell me how the purpose of this resolution could be served except by the exposing of these facts which the British Government deny to the British people?

I have stated that in so far as charges of fraud or irregularity are made in respect of the conduct of this Government, there is a court for their investigation. I do not know that the British Government has ever gone that far; indeed, I am convinced that they have not. The hon. member for Carleton set out to show that the British Government, during the war in the Crimea and during the war in South Africa, had undertaken investigations, and he endeavoured to bring home a false statement to the Prime Minister of Canada in regard to both these instances. Well, I have observed the conduct of the Prime Minister of Canada for seven or eight years in this House. I have listened to his speeches, and read a great many of them, and if there is one habit which he always follows, if there is one virtue which he possesses more than any other, it is that he never makes a misleading or false statement to the House. I have never heard hon. gentlemen on the opposite side or anywhere else bring into Parliament two sentences or two paragraphs attributable to the Prime Minister and make them clash; nor can they bring one into Parliament and make it clash with the actual facts. The hon. gentleman tells the House that the Prime Minister stated that there had been no investigation and no inquiry in the Crimean War—that inquiry had been refused. The Prime Minister told the House nothing of the kind. He told the House that during the Crimean War there had been in the British House an attempt at an inquiry, which had proved a fiasco. Those are the words of the Prime Minister. What is to be thought of the member who, in the face of those words, tells us that the Prime Minister told this House and the country that there had been no inquiry at all during the Crimean War? Any time my hon. friend wants to challenge an assertion that I make, he is welcome to do it; I will produce proof from under my hand, out of Hansard, or out of the document in which it is contained. There was an inquiry during the Crimean War. It was moved for by Mr. Roebuck on the date stated by the hon. member for Carleton. Inquiry was made as to war contracts and as to the conduct of generals in the field. A general inquiry was moved for. When it was moved for first, Lord John Russell, the leader of the Government, resigned; the Government remained intact. The resolution was moved again a few days later, and, after one of the strongest protests ever made on the floor of Parliament by Mr. Gladstone, the motion carried

against the Government, and the Government resigned. Consequently, an investigation, or an attempt at investigation, followed. Those who have read the words of Mr. Gladstone at that time will realize the wisdom and prescience of that statesman in regard to the policy against which he protested and in respect of which he went out of office. He told the Commons of Great Britain that there could be no effective investigation; that any investigation that would be attempted would necessarily prove a farce; that it would do harm at home and produce disaster abroad. He rejoiced that his last words as a member of the Cabinet of the Earl of Aberdeen embodied a solemn protest against a proceeding which in his judgment meant weakness to his own country both at home and abroad. An investigation followed, and if ever there was a fiasco, if ever there was a farce pure and simple—except possibly the speeches to which we sometimes listen in this House from the hon. member for St. John—if ever there was a fiasco, it was the work of that investigating committee. Now, to prove just what that committee did and to enter a warning as to what would result should we follow the behests of hon. gentlemen opposite, let me read this from its report:

> The difficulty of the task has been enhanced by the impossibility of bringing some persons as witnesses who could have furnished important information. From the same cause some persons are left under imputations in regard to which your committee regret that they can pronounce no conclusive opinion. The fullness of the inquiry has been restricted by considerations of state, so that at the outset of this report your committee must admit that they have been compelled to end an inquiry which they have been unable satisfactorily to complete.

Here we have the admission of the men most favourable to the inquiry, the men who themselves accepted appointments on the committee, that they were unable to produce any adequate results. That was the last time the Government of Great Britain—even although serious charges of a certain nature were made—ever launched a general inquiry such as would expose to the enemy the resources of their country during a war. Do I hear the hon. member for Carleton say they did it in the South African war? He tried to show the House that they did something, but what they did was not at all as he described. It was a different thing entirely, in its character and kind, from the resolution we are asked to adopt. It was an entirely different thing in character and kind from the resolution which carried in 1855, during the Crimean War. What was it that they did during the South African War? According to the hon. member for Carleton they passed in May, 1901, a resolution in the following language:

> That a select committee be appointed to consider and report upon any allegations of fraud and irregularity in connection with War Office contracts—

Does the House get the words? "Any allegations of fraud and irregularity." This was passed in May, 1901. Everybody knows what an irregularity is, especially when associated with the name of fraud.

> Fraud and irregularity in connection with War Office contracts during the last 12 months. That the committee have power to send for persons, papers, and records, and that five be a quorum.

At the same time a general inquiry was asked to be set on foot, an inquiry into the entire management of affairs connected with the war, an inquiry into purchases and the like; and that inquiry was refused by the Government of the day and postponed until the conclusion of the war. Why? Because you can inquire into a specific allegation of fraud or irregularity and not expose to the enemy any of the resources of the country. You could not set on foot a general searching inquiry and fail to do harm to the interests of the state. Consequently anything in the nature of a general inquiry was refused, and refused in the public interest, until the war was over.

Is there any charge of fraud or irregularity here? Even were this shell committee, our committee, acting under our instructions, subject to our disposition and our supervision, a committee whose every act we supervised and were responsible for; even were it such a committee there is nothing brought forward and nothing urged to bring it within the purview of that British resolution and make it the duty of this Government to grant an investigation. The hon. member for St. John, not five minutes before he sat down, made it clear to the House that he charged nothing in the way of fraud or irregularity even against the Shell Committee; yet who will ever forget the demeanour and the language of horror, yes, of tragedy, with which he opened that address? He was going to meet the Prime Minister of the day, and from his place in Parliament take the whole responsibility for the grave and serious charges he was going to make; he was going to expose himself to the abdication of his seat in Parlia-

ment, and to the ignominy of his fellow members and the whole of Canada; he was going to make such charges against the Shell Committee and the Minister of Militia, and to take the full responsibility therefor. I congratulate him that he has not lost his sense of the dramatic. His knowledge of stage effect would compare with that of Sheridan himself. But I am afraid he does not judge aright the intelligence of this House, if he thinks that any member of the Parliament of Canada is going to call a thing a charge because he so denominates it. One may, of course, charge the Government and the Conservative party with being inferior in intelligence to the Liberal party and to the Government of the Liberal party, and he might clothe that charge with all the habiliments, all the trappings of great importance, and so endeavour to convince the public that he was making something in the nature of a charge involving the honour of a minister of the Crown. But surely he cannot so deceive the Commons of this country.

What has he done? Let us throw off some of the dressings; let us throw off some of the verbiage, and get down to the meat. Let us see what "charge" he actually does make against this Government, in respect of which he takes such a fearful responsibility on himself, a responsibility almost unprecedented in the history of Parliament, occurring only once in ten or twelve years, and by making which "charge" he places his own seat and his own reputation at stake.

He charges that we have a Shell Committee appointed by this Government. Surely it is appointed by this Government. In that respect the charge is true; he takes no risk in making that statement, because we have plainly stated so for over a year.

He charges that prices were fixed without competition, and were far in excess of what would necessarily be paid if ordinary business methods had been pursued, and, therefore, there have been wasted large sums of money, conservatively estimated at at least $80,000,000, which will be improperly taken from the people of the United Kingdom and of Canada. That is a charge all right; but I have sat in Parliament, I think, almost every day for seven years, and I do not think I ever sat here a day when I did not hear that charge, or some exactly similar charge, made on the floor of this House, that the Government had expended money where they should not have expended money, that they had paid too much for this or for that or for the other thing. Who ever heard of an Opposition that was not charging that every day of its existence?

Then, he says that they gave large orders at excessive prices and without competition to companies in which members of the committee were largely interested, and of some of which companies members of the said committee were the directing heads. Is that a charge of fraud? He knows better than to call it so himself. He knows that, under the law of this country and of every country, even if what he says has a vestige of truth, you can deal with an incorporated company entirely irrespective of whether or not you yourself hold stock in it.

Furthermore, he charges that there has been great and unnecessary delay in the furnishing of completed shells for the use of Canadian and British forces at the front. Why, the Minister of Munitions in Great Britain admits that on behalf of the British Government. Is that a charge involving the honour of a Government?

Let me go a little further. Here is the most amusing thing of all: that the Shell Committee neglected and delayed, for an undue period of time, to provide the fuses necessary to render the shells effective. One would really think that we were firing off our shells in France without any fuses in them. One would think that we did not know that there had to be a fuse to fire a shell. As if those could not be made anywhere else than here, and as if in the arrangement at the War Office, involving, as it did, the whole of the Allies and the Empire as well, there was not some policy as to the distribution of the manufacture of the various parts of a shell. He charges that the Shell Committee,

> —failing to endeavour to provide for their construction in Canada, as they might have done, proceeded to give and award through J. Wesley Allison, in the United States, contracts for fuses amounting to $22,000,000 on which they made an advance of $3,750,000.

That is the charge that is made. Call it whatever you like: call it a charge, or mere fault-finding, as the hon. member for Carleton denominated part of his own address, it involves nothing in the way of the honour of a member of the Shell Committee, let alone a member of the Government.

Then he goes on, and here is where what I might call the Pugsleyism of the hon. member for St. John comes in:

> That the making of the said contracts through said Allison was unwise and improvident, and was entered into with the knowledge and connivance of the Minister of Militia, and the said Shell Committee failed to obtain delivery of said fuses for an unreasonable time.

How artistically that last remark sounds to us, especially in face of the pronouncement of the hon. member for Carleton, yes, and of the right hon. the leader of the Opposition, both of whom solemnly and repeatedly assured the House that there had never been a shell delivered at all. The hon. member for St. John says they had not been delivered in a reasonable time. What he says is this: The Shell Committee, in that contract, made an unwise and improvident expenditure, and the Minister of Militia had knowledge of it, and connived at it. The language is very skilfully drawn, but what does it mean? It means no more than if he had said that the minister had made an unwise and improvident expenditure. Surely conniving at some one else's unwise and improvident expenditure is no worse than being guilty of it oneself. Assuming there was knowledge and connivance—and he has not a tittle of evidence to show it, no suggestion of evidence from a single man—assuming it is correct, is to connive at what some one else does any worse than to do it oneself? Suppose, then, that he says that the Minister of Militia made an unwise and improvident bargain. What a charge! Why, they have been charging that against him ever since he has been in office, and when they charged it most loudly and most emphatically, who thundered loudest of all? Before the war, when he was preparing against an emergency in this country, when he was building drill sheds and armouries throughout Canada, there was not a speaker on the opposite side who did not charge him with unwise and improvident
10 p.m. expenditures. And the hon. member for St. John is doing nothing more to-day. He is just repeating the old-time allegation, and putting on it a few frills, in order, if possible, to impress the gallery and the House. When you want to get at the real character of an animal throw off the blanket first. The hon. member for St. John trots out something here, puts a long mane on it, a tuft of tail, and a few whiskers, and says: "Look at this; it is a great lion, which will kill you unless you do what I say." But just take the mane off and lift the blanket, and you find the same old wooden dog that he has been trotting out for years.

The course pursued by the British Government in cases of special allegations has been not to permit of general investigations in war time. That has always been their policy, at least since 1855. In defiance of the specific request of the British Government itself, through its representative here, Mr. Hichens, and through its Minister of Munitions, Mr. Lloyd George, by letter, we are asked to throw open the doors of investigation, and to expose to the enemies of Canada the very information which the British Government deems they and they alone should have.

I pass from that phase of the subject. The Prime Minister has stated the policy of the Government, and I will repeat it, because I think it is well that it should be emphasized, and it is only just to the Government that the people should know what we are prepared to do. We resist nothing which those responsible for its effects approve or sanction. Those who are responsible for the effects of what we do in this regard are those responsible for the conduct of the war on the part of the Empire. If we undertake to diverge from or to reverse their policy, we had better get into their shoes and do their work. But, while they are responsible, it is for us to follow the principles they lay down, and, no matter at whose behest, no matter how animated by partisan frenzy others may be, we propose to follow them, and we will follow them to the end. We shall lay before the British Government all the allegations made. I have some sympathy with its members who will have to read the nine-hours' speech of one member, and the speeches of many hours of others; but they will have to do so. We will lay the allegations before them and ask for their judgment. If they are prepared to have us investigate, we are ready to do so; we are ready to give them every facility; we are ready to conduct the investigation ourselves if they approve of it; we are ready to pass legislation if it is necessary to make that investigation effective. Moreover, unless it is authorized by them, and the doors are thrown wide enough open at their will, it never can be made a real investigation which would serve the purpose that all investigations should serve.

While that is the policy that we choose to adopt in deference to sound principles that are laid down for us by the constitution of this Empire, and by the practice both of the Empire and of Canada, it is important at this time that the public of this country and the hon. members of this House should get at least some idea of the real facts in respect to which they have heard certain allegations from hon. gentlemen opposite. It is well, and it is in the public interest,

that the people of Canada should know whether or not these allegations made by the hon. member for Carleton, sometimes in quite specific language, are correct or not. It is due to those public servants who through long weary months did this work to at least place on record what we are able to put on record, without violating the policy of this country or exposing secrets of state. It is well to put on record the actual facts in that regard, and I propose to do so. But I shall exercise every caution not to follow the example of the hon. member for Carleton, who, through some source, I know not what, gathers up a whole lot of data, and comes to this House and, in defiance of the specific request of the British Government, exposes it to the world. I will try not to follow that example, and I think I shall be able to refute what he says without doing so. Where he has given facts, where he has given statements which he says are facts, it will be necessary in some cases, in order to refute them, to give information that would otherwise not be given; but no information will be given that will add one iota to the harm he has already done in exposing to the House and to the country what he had no right to expose.

There is a difference between the hon. member for Carleton and the hon. member for St. John. The hon. member for Carleton always delves into such sources of information as are available to him, delves rather recklessly and carelessly, it is true, but at all events he digs and hunts around and always brings something into the House that he alleges to be actual fact. He is not wanting in industry. He is wanting in accuracy, in correctness and in a sense of responsibility as to the statements that he makes in this House, but, at all events, he is industrious. The hon. member for St. John, on the contrary, does not seem to think that there is any duty devolving upon him to make any inquiry whatever. He does not need to make any inquiry as to the circumstances concerning anything, or any event, or any alleged statement. So long as he has heard or read it somewhere, it does not matter where, he is justified in imparting it to the House and giving it all the circulation he can if perchance it will bring any party capital to himself or his friends. Take his whole speech to-day? It opened with that dramatic incident, which one hardly knows whether to describe as comic opera or not, and then from that on it was mostly an attempt at humour. The whole was a curious mixture of counterfeit tragedy and farce. I am afraid it will not add to the impressiveness of the speeches that have gone before when they reach the British Government and when this manifesto with which he started out brings to their attention his idea of what is a charge on the part of one member against another in a House of Parliament.

The hon. gentleman rests his case on the facts, as he calls them, adduced by the hon. member for Carleton. He does not attempt to bring any more of these alleged facts to the attention of Parliament. They stand, he says, these "irrefutable" facts established by the "irresistible" evidence, and he cannot understand how any hon. gentleman can deny an investigation into them. So that, if we expose these alleged facts presented by the hon. member for Carleton—yes, all of these alleged facts—and I will undertake if given time just to lay bare the whole of them—there will not be much foundation left of the speech of the hon. member for St. John. He perhaps will realize that he has been leaning on a broken reed, hewing out a broken cistern, in relying on the alleged "facts" presented by the hon. member for Carleton. It is stated by that hon. gentleman that very grave irregularities have taken place, first, because these men gave huge contracts at large profits and there is the assertion that these men distributed contracts to themselves and to companies in which they were interested, allied companies—subsidiary companies he calls them—and he goes through the whole list of the manufacturing members of the Shell Committee in order to establish this allegation. I wonder if he has looked into the facts since; I wonder if he looked into them before he made that statement. Did he inquire to find out whether the statement he made was true? He started with General Bertram. He said that General Bertram was connected with three companies and that therefore the Shell Committee gave contracts to General Bertram. One was the John Bertram & Sons Company, Limited, the other the Chapman Engine & Manufacturing Company, and the other the Valley City Seating Company. He said that contracts given to these three companies the amount of $1,500,000 were given to General Bertram himself. Does the hon. gentleman believe there was any connection between any one of these companies? Does he believe that General Bertram has any interest

in any one of these companies? I ask him if he believes so.

Mr. CARVELL: Does the hon. gentleman want an answer?

Mr. MEIGHEN: Certainly.

Mr. CARVELL: I made the statement that he is an officer of one, and certainly I believe he is.

Mr. MEIGHEN: I ask the hon. gentleman if he thinks he had any interest in any one of the three.

Mr. CARVELL: I say I do believe it.

Mr. MEIGHEN: Will the hon. gentleman tell me where he inquired to find out?

Mr. CARVELL: You go on and give us your side of it. You say you are going to give us the facts; let us hear them.

Mr. MEIGHEN: He inquired where he inquires for everything; that is, he has resort to any newspaper that he can find, chiefly to the Liberal monthly, and if he fails to find support for his belief in any of them, he has resort to the fathomless entity known as his imagination. Yes, I will give the facts. First of all I want to give the statement made by the hon. gentleman to show what he relied on and what he expected the House to accept as sufficient foundation for his assertion that when this committee gave contracts to any one of these three companies it gave contracts to General Bertram. He said that General Bertram is vice-president of the John Bertram Company. That is correct. Then, he said that Mr. Henry Bertram is a director of the Chapman Engine and Manufacturing Company, and that it is an allied company. He named all of the eight other directors but because Mr. Henry Bertram is a director of the company he claims that it is an allied company and consequently Sir Alexander Bertram is interested. Then he traces up the directors of the Chapman Engine and Manufacturing Company and finds that Mr. Pennington is a director of the Valley City Seating Company. Mr. Pennington is a director of the Valley City Seating Company and he is on the Chapman Engine and Manufacturing Company board. Then Mr. Henry Bertram is on the directorate of the Chapman company as well as on that of the John Bertram company, and therefore that is sufficient support in the mind of the hon. gentleman for the statement to this House that because the Shell Committee gave contracts to each one of these three companies it gave them to the chairman of the Shell Committee. Did anybody ever hear of an allegation against a man, public or private, resting upon a foundation like that? Does the hon. gentleman think that that was sufficient to found an allegation on before the Commons of this country? If everything he said was correct, it established no such conclusion, no part of such a conclusion, and it did not absolve him from putting himself in the position of being a reckless slanderer of public and private men. I make the assertion, which I have proof here to establish, that Sir Alexander Bertram has no beneficial interest in even the John Bertram Company, that he has no interest whatever in either of the other two, and that not one of the three has any relation to the other. I will weary the House to read the affidavit of Mr. George Williams with regard to this matter:

Province of Ontario, County of Wentworth, to wit:

I, George W. Williams of the town of Dundas, in the county of Wentworth and province of Ontario, make oath and say:

1. That I am the manager and director of the Chapman Engine and Manufacturing Company, Limited, Dundas, Ontario, and have knowledge of the matters and things herein deposed to.

2. That at the time the old Shell Committee placed with us orders for machining and assembling 18-pr. H.E. shells neither Sir Alexander Bertram nor any other member of the Shell Committee had any connection with our company whatsoever, neither is he nor any other member of the committee connected with our company at the present time nor have they been at any time during the fulfillment of the orders above referred to.

3. That at the time of receiving above mentioned orders our company was practically controlled by the Ontario Wind Engine and Pump Company, Limited Toronto, Ontario, who owned 500 shares preferred and 400 shares common stock of the total issue of 1,783 shares of the capital stock of the company.

4. That at the time of the organization of our company Mr. Henry Bertram and Mr. J. D. Pennington were asked to become shareholders and officers of the company in order to make a convenient directorate and to give the company a certain amount of local standing.

5. That Mr. Henry Bertram of the J. Bertram & Sons Company, Limited, Dundas, Ontario, in order to qualify as a director and officer of the Chapman Engine ond Manufacturing Company Limited purchased with each one share of the capital stock of the company.

6. That Mr. J. D. Pennington of the Valley City Seating Company Limited, Dundas, Ont. in order to quality as a director and officer of the Chapman Engine and Manufacturing Company Limited, purchased with cash one share of the capital stock of the company.

7. That the Chapman Engine and Manufacturing Company, Limited was not at that time nor is at the present time in any way connected with the J. Bertram & Sons Company, Limited, or the Valley City Seating Company, Limited.

Geo. Williams.

Sworn before me at the town of Dundas, in the county of Wentworth, this 13th day of March A.D., 1916.

John S. Fry,

J.P. in and for the county of Wentworth.

So Henry Bertram, the brother, is the owner of one share in the Chapman Engine and Manufacturing Company, Limited.

I read the affidavit of Mr. Pennington, who, I am informed and believe—the source of my information is the hon. member for Wentworth (Mr. G. C. Wilson)—is a prominent Liberal of that constituency:

Province of Ontario, County of Wentworth, to wit:

I, John D. Pennington, manufacturer, of the town of Dundas, Ontario, make oath and say:

1. That I am president of the Valley City Seating Company, Limited, of Dundas, Ontario, and have personal knowledge of the facts herein deposed to.

2. That Sir Alexander Bertram, late chairman of the Shell Committee, has not nor has he ever had any financial interest in the said Valley City Seating Company, Limited.

3. That none of the stock of the Valley City Seating Company, Limited, nor any securities of the said company are held by the John Bertram & Sons Company, Limited, of Dundas, Ontario, or by any of its directors or officers.

4. That neither the Valley City Seating Company, Limited, nor any of its officers or directors hold nor have they ever held any of the capital stock or other security of the John Bertram & Sons Company, Limited.

5. That there is no financial nor any other connection existing between the said Valley City Seating Company, Limited, and the said the John Bertram & Sons Company, Limited, nor have the said companies ever been in any way financially or otherwise connected.

J. D. Pennington.

Sworn before me at the town of Dundas, province of Ontario, this 13th day of March, 1916.

W. H. Moss,
J.P. in and for the county of Wentworth.

Then, I read the affidavit of Henry Bertram, which is the last:

Province of Ontario,
County of Wentworth,
To wit:

I, Henry Bertram, manufacturer, of the town of Dundas, Ontario, make oath and say:

1. That I am secretary-treasurer of the John Bertram & Sons Company, Limited, and have a personal knowledge of the facts herein deposed to.

2. That Sir Alexander Bertram is vice-president of the John Bertram & Sons Company, Limited.

3. That the said Sir Alexander Bertram sold in the year 1905 his entire holdings of stock in the said company.

4. That since the said year he has had no financial interest in the said the John Bertram & Sons Company, Limited.

5. That the stock book of the John Bertram & Sons Company, Limited, shows the said Sir Alexander Bertram to be holder in trust of I share only of the capital stock of the John Bertram & Sons Company, Limited.

6. That this one share of stock is issued in the name of Sir Alexander Bertram for the sole purpose of enabling him to act as a director of the John Bertram & Sons Company, Limited.

7. That no arrangement or agreement exists whereby any financial or other gain accrues to the said Sir Alexander Bertram from any of the profits of the said the John Bertram & Sons Company, Limited.

Henry Bertram.

Sworn before me at the town of Dundas, province of Ontario, this 13th day of March, 1916.

John S. Fry, J.P.

Mr. PUGSLEY: Did my hon. friend see the report of the interview which Gen. Bertram gave before he left the country, in which he said he had an interest to the extent of one share in John Bertram & Sons, Limited, which share, as he said, he would not part with for all that the Shell Committee could give him?

Mr. MEIGHEN: I presume he is going to keep that one share in the Bertram family.

Mr. PUGSLEY: He said he did not own any share but had one in trust.

Mr. MEIGHEN: Might he not hold it in trust for his family?

Mr. PUGSLEY: He does not say that.

Mr. MEIGHEN: He says he holds it in trust—this one share of stock.

Sir ROBERT BORDEN: That is enough to justify the investigation.

Mr. MEIGHEN: That is enough to justify the investigation. In the opinion of the hon. member for St. John, that share might be worth $1,000, or $10.000, or $1,000,000—who can tell?

Mr. PUGSLEY: I said we do not know what it is worth.

Mr. MEIGHEN: Time would be wasted to go any further in order to expose the utterly ridiculous, the almost insulting, character of the foundation upon which these gentlemen base their alleged charges. A million and a half of dollars went to those three companies, they say, and, by reason of this fatal one share in one of the companies, there ought to be an investigation into this very unpatriotic conduct

on the part of Sir Alexander Bertram—$1,500,000 out of what I believe is $380,000,000.

Well, we are not through with all of them yet; but I think that is Sir Alexander Bertram's family disposed of. I think the right hon. leader of the Opposition will admit that.

Sir WILFRID LAURIER: No.

Mr. MEIGHEN: We come now to Mr. George W. Watts, and, of course, some vicious misdemeanour had to be brought home to him; he had to be put in the same position as the others, of distributing favours to himself. The hon. member for Carleton set about to see how best he could do it. He finds, of course, right away that Mr. Watts is, I think, works manager of the Canadian General Electric company, but in his look at the data that he got his eyes on somewhere, he finds, as he believes, that this Canadian General Electric company did not get any contract, and he says: "Well, that is hardly in line with my argument; I wonder how I am going to get over that great difficulty;" and he devises a way to get over it, and this is his scheme. "Why," he says, "it is true that the Canadian General Electric company did not get any contract but one small one, although Mr. Watts was connected with it, but the trouble is that it should have got them. "The Canadian General Electric Company" he says "is one of the largest and best companies in Canada; I have been doing business with it, and this is one of the companies that should have got contracts, and I arraign the Shell Committee because this company did not get any contracts." That is the charge he made in regard to the Canadian General Electric company. "Why," he says, "here is a company, not only one of the finest companies in Canada, but one that can make anything that any one in the world can make, one of the largest companies, including its parent company in the States, on this whole continent," and he finds serious cause of quarrel with the Shell Committee for daring to deny a contract to the Canadian General Electric company. That is how he undertook to get over the great difficulty that he thought he faced when he discovered that the Canadian General Electric company got practically no contracts, although Mr. Watts was works manager. But he had to bring guilt home to Mr. Watts; and here is his language, as reported in Hansard:

[Mr. Meighen.]

I pass now to the next member of the committee, Mr. Watts, a gentleman whom I have never met, a gentleman with whom I have no quarrel whatever.

Just as he had no quarrel with any of them.

He is as modest as any of them; but he seems to be very closely identified with a firm of railway contractors who have been discussed in this House in the past to some extent, and with whom I have no great quarrel. I refer to the firm of Mackenzie & Mann. I find that the Universal Tool Steel Company, of which Sir Donald Mann is the president, the Hon. F. H. Phippen is secretary-treasurer, and Sir William Mackenzie, S. C. Wood, D. A. Cameron, William Clancy and Robert I. Henderson are the directors, received contracts amounting to $1,735,000 from the Shell Committee; and, as the list is not a very long one, I will give it to the House.

So he gives the list of contracts. Then he says further:

If one goes through the list of firms manufacturing shells, one will find plenty of mushroom companies throughout Canada able to take a contract for 10,000 shells at $5.70 each, and to buy the necessary machinery; but Mr. Watt's company—

This apparently becomes Mr. Watts's company at once, although he is not a director, and my hon. friend does not even allege him to be a shareholder; but, as he is closely connected with Mackenzie & Mann, therefore, according to my hon. friend, this is Mr. Watts's company.

—but Mr. Watt's company had to have a contract for 100,000 shells at the top-notch price.

Well, I have a letter from Mr. Watts, which I will read if the hon. gentleman wants it, in which he states that he has no connection, and never had any connection with Mackenzie & Mann, and he says that he has no connection with the Universal Tool Steel Company and never had. Sir William Mackenzie happened to be in the city to-day, and I asked him, and he said that Mr. Watts had never had any connection with Mackenzie & Mann in any character whatsoever. Nevertheless, according to the hon. member for Carleton, he is the man of the Universal Tool Steel Company, and consequently he gave himself $1,735,000 worth of orders. But let us inquire a little further. The Universal Tool Steel Company is the only example the hon. gentleman gave in the course of his speech of these "mushroom companies." He may know what a "mushroom company" is better than I do, but let me tell him what the Universal Tool Steel Company is. The hon. gentleman is on record as saying that it was organized to get these contracts and went right in for the shell business. As

a matter of fact, if he had gone to the Secretary of State's Department, he would have found out that this company was organized and got it's charter on 17th April, 1914, some months before the war began. If it was organized for the purpose of getting contracts for shells, at least those who organized it had a better knowledge of the position of the British Empire in regard to war than had the hon. member for Carleton. But this company was organized to take over the Canadian Tool Steel Company, Limited, which had been doing a steel business for years. The capital was enlarged to take care of some process that had been discovered for the hardening of steel. Here was this old-time company, doing business for years, whose name was changed on 17th April, 1914, months before the war broke out, and this is the best example the hon. gentleman can give of this hideous nightmare of his, a " mushroom company."

Oh, but this General Electric Company—what a pity it did not get any contracts I thought I would make some inquiries. I knew this was a good company; we all know the Canadian General Electric, as a company long established in this country. one of our strongest industrial enterprises. I myself wondered that it had not got contracts, and could not see any reasons why it should not have got them if it wanted them. And I saw he quoted a communication from the Shell Committee to the British Government, to the effect that the Canadian General Electric would undertake to deliver 100,000 shells by 1st January. 1915. That undertaking was given about the end of September, 1914. The hon gentleman laid stress upon the fact of this Canadian General Electric being ready to deliver 100,000 shells in the course of two or three months. They were not people to undertake what they could not do, and this showed that the shells were a very simple matter, and we should have had them earlier than we did. I made inquiries, and —will the House believe what I found to be the fact?—will the hon. member for Carleton believe it?—so far from not getting any orders, this Canadian General Electric got orders from the Shell Committee, or from the Munitions Board—mostly from the Shell Committee—amounting to $10,749,440. Here is the Shell Committee, under the chairmanship of Sir Alexander Bertram, that commits the crime of giving a million and a half to three companies in which General Bertram has one share in trust, and the hon. gentleman complains of failure to give business to a concern which in fact received orders for over ten millions of dollars. One would think, and I must say, after investigating this matter—and the facts I bring before the House are from the Imperial Munitions Board, who, the hon. gentleman says, are all right—I actually came to the conclusion that the hon. member for Carleton had made it his ambition, if he did get access to these papers, to winnow out every grain of truth, and bring into this House only the dust and chaff.

Mr. CARVELL: Does the hon. gentleman allege that I got access to any documents belonging to the Munitions Board of the Shell Committee?

Mr. MEIGHEN: I do not know what the hon. gentleman got access to.

Mr. CARVELL: I want my hon. friend to answer my question.

Mr. MEIGHEN: Did I say so?—no; if he had got access to the right facts he would not have said what he did. But I charitably assumed that he did get them somewhere else. I think the man who gave the hon. gentleman the data he brought into this House must have had some grudge against him.

Mr. CARVELL: Would the hon. gentleman give the dates of the orders?

Mr. MEIGHEN: I have the whole string here—they are thirty or forty in number.

Mr. CARVELL: It would be interesting to have them.

Mr. MEIGHEN: I do not wish to encumber my speech by reading them.

Mr. PUGSLEY: Members cannot see the dates.

Mr. MEIGHEN: They start on 6th October, 1914.

Mr. CARVELL: I gave one.

Mr. MEIGHEN: The hon. gentleman said they got one single order for 25,000 shells, and that before they had hung around for a year. As a matter of fact, they got the third order given by the Shell Committee, or it may have been the fourth. And, just while I am on that point: Here is a company that, according to the hon. gentleman, could manufacture anything and never fall down; the hon. gentleman has done business with them and knows all about them; they should have gotten orders. Why did they not get a chance to make

100,000 shells? Well, they got an order for 15,000 shells on 6th October. They had undertaken to deliver 100,000 by 1st January. How long did they take to deliver 15,000? They took just seven months. This, of course, indicates that they have not anybody in their employ as skilful mechanically as the hon. member for Carleton—he could make this shell with a little brass, a soldering-pot, and a hammer; all it is, he says, is a lump of steel with a hole in the middle and tapering at the nose.

I must not omit to read the letter of Mr. Watts. It is addressed to Mr. R. B. Bennett, M.P.:

I notice in to-day's papers Mr. Carvell is reported to have stated in the House of Commons yesterday that I "was associated with Mackenzie & Mann interests." This statement of his is incorrect, as I am not and never have been associated with Mackenzie & Mann interests.

There was another company which drew tears of sympathy from the hon. member from Carleton. The Dominion Iron and Steel company. Here is a company, he said, that should have got some business, and "they could not get a look-in." It is at page 1598 of Hansard that he wails bitterly at the treatment accorded this poor corporation:

I wonder if the fact that the great business competitor of the Dominion Iron and Steel Company happened to be the Nova Scotia Steel Company, the manager of which happened to be a member of this Shell Committee, had anything to do with it.

They never got a chance to do business, never got a look-in, until October or November, 1915.

I do not think the House would be surprised to know the facts in this matter. I am not sure whether the hon. member for Carleton will be surprised; he may have ascertained the facts since. At any rate, the facts are that the Dominion Iron and Steel Company had orders amounting to $4,100,000 in February, 1915. Does the hon. gentleman dispute that? I do not know what they got afterwards, but on February 20, 1915, they had orders to the amount that I have stated, about three times what the Bertram Company got altogether.

Mr. CARVELL: What was it for?

Mr. MEIGHEN: $600,000 was for shrapnel shells—not for the whole shell, I think; simply for the steel of the shell. The rest was for some other part; I am not familiar with these mechanical terms. At all events, they were contracts from the Shell Committee; they were contracts just the same as others. The Nova Scotia Steel Company got similar orders until February, I think. That is all they got till then; then they got orders for some shells.

Mr. CARVELL: Oh no.

Mr. MEIGHEN: That is what the hon. gentleman put on Hansard; perhaps that is wrong, too. The presumption is that it is, although I had not time to go into all these things. I assumed some of them to be unimportant.

Mr. CARVELL: On December 17, 1914, $100,000, machining and assembling.

Mr. MEIGHEN: That is what I thought; they did not get it at the first either.

Mr. CARVELL: $25,000, machining and assembling.

Mr. MEIGHEN: The Dominion Iron and Steel Company got orders of $600,000 and $3,500,000 in February, 1915. It has been suggested to me that perhaps we ought to reserve our policy. We have now arrived at the startling discovery that the Nova Scotia Steel Company got its complete shell contract in December and that the Dominion Iron and Steel Company got theirs in February; surely that is a sufficient ground for investigation!

Complaint has also been made with regard to fuses. If there is one thing upon which hon. gentlemen on the other side of the House are unanimous, it is that we have had awful treatment in the matter of the supplying of fuses. One could scarcely refrain from weeping in listening to the right hon. leader of the Opposition, who rallied all his eloquence in order to depict to the House the distressing condition of the British soldiers at the battle of the Marne. They were compelled, he said, not to follow up the victory; later they were compelled to stand still because, forsooth, we did not get fuses; we were making only these empty shells. In the first place, it is correct that the American Ammunition Company got a contract for fuses in June, 1915, for 1,666,666 of the graze fuses and 833,334 time fuses. One would think, listening to hon. gentlemen opposite, that just as soon as the Shell Committee was appointed they had carte blanche from the British Government to buy anything that they wanted in the way of munitions of war. One would think that all they had to do was to write cheques on the British treasury and buy munitions of war at any time, of any kind, quality and description they liked. Does it not appear to hon. gentlemen that it is altogether likely that the British

War Office exercised some control over what this committee bought? Have hon. gentlemen any evidence that this committee had power to buy fuses before June? Oh, they say, they did not try; there is no evidence to show that they even tried. I tell hon. gentlemen that there is. The Minister of Militia is on record in the House some time ago—and this was read to the hon. member for Carleton by his own leader—as saying that as early as 1914 he or the Shell Committee had tried to impress upon the British Government the fact that we could make fuses in this country. They endeavoured to do this, but without success, and it was not until the end of the month of April that they were able to persuade the British Government that we could make fuses successfully in Canada. Up to that time I do not know whether the United States had made any fuses or not. The battle of the Marne, if I remember rightly, took place in August or September, 1914, so that it would be pretty hard for the Shell Committee, having obtained authority at the end of April, 1915, to help out the soldiers of Britain at the battle of the Marne in August, 1914. What did they do after they got that authority? Mr. Carnegie, who was over there at Christmas, 1914, endeavoured to impress them with the fact that we could make fuses here. They let the first contract the first or second day of June, 1915. Shortly afterwards, early in August, they let another contract for 500,000 fuses to the Russell Company of Canada. They let the contract to the American Ammunition Company on the basis—I think my figures are correct—of $4.50 for the time fuse and $3.72½ for the graze fuse. The hon. gentleman says that the price of the latter was $4, but a deduction for loading, which was not done by the holder of the contract, makes the price $3.72½. Two months later they let a contract to the Russell Company at a price averaging $3.50 for the graze fuse or $3.36 without loading. The Russell Company did not until recently contract to make the time fuse. The British Government have always maintained that the making of both fuses, the time fuse particularly, is a matter of great technicality and of great difficulty and responsibility. However, it will be seen that there was no more than what was in all probability necessary delay in conducting the negotiations preparatory to entering into these contracts. I do not know that it is surprising that in a few months the prices dropped. I do not know but what the first prices may have been too large. It may have been that some mistake was made. I should be surprised—yes, I should be amazed, for it would have been utterly incredible—if any committee conducting operations of so colossal a character in so brief a time—operations of a business character, which were entirely or for the most part new to them—and not commit errors, not make unwise and improvident expenditures. There never was a committee on the face of the world, there never was a business enterprise on the face of the world that under such circumstances would not make unwise and improvident expenditures, just as is charged by the hon. member for St. John.

It is complained—at least, this is the burden of the charge of the right hon. leader of the Opposition—that while others fight we lag; that no fuses were delivered. The right hon. gentleman arraigned the Shell Committee and the Government because the Empire suffered on account of the awful delay in the delivery of fuses. No fuses, he says, were delivered or have yet been delivered by this American company. The hon. member for Carleton was not satisfied with making that statement once; he came along with it every time he got on the fuse subject. Why, he said, they never could make fuses; they did not intend to make fuses, and they have not delivered any; so far as the delivery of fuses by the American company was concerned, the British Empire might be smashed to pieces. We still wait, the hon. gentleman says, and we have not the fuses. Then, he says, the Russell company got a contract of 500,000 fuses in August and they delivered about 50,000 fuses. I have considerable confidence in the Russell company. I have a great deal of confidence in Mr. Russell, and I should be the last to say a word against the Russell Company or against its management. However, I do recollect that the very men who are now holding the Russell Company up as a paragon of business virtue—these very men, when it suited their political purposes, lampooned Mr. Russell and the Russell Company and held them up as to be avoided in the business world, as men who were profiteering at the expense of the country. I am consistent in my belief in the integrity of Mr. Russell and his company. Mr. Russell and I were boys together, and I think my admiration for him is as genuine and perhaps a little more consistent than that of the hon. member

for Carleton. They have delivered about 50,000 fuses on their 500,000 contract. They are delivering now; I see they are doing very well. The contract in respect of which they have made deliveries was given to them by the Shell Committtee, not by the Munitions Board. They have got one from the Munitions Board, but in respect to that they have made no deliveries. However, they are delivering, and I believe the fuses they are delivering are for the very substantial part made in this country. Of that I am glad and proud. But where are these hon. gentlemen when they make their comparisons? On what authority do they tell this House that the American company have made no deliveries? They should have made inquiries. It was stated in the House some weeks ago, at all events back in the old Parliament chamber, that they had made no deliveries. That was stated by the hon. member for South Renfrew (Mr. Graham), and I disputed it and told him that deliveries had been made. Consequently they were put on their guard. Why did they not make some inquiries and secure information that would warrant them in making a statement of the character they did on the floor of this House? As a matter of fact, the American Ammunition Company have delivered 417,000 fuses in pursuance of that contract, and are delivering right along.

Mr. CARVELL: Would the hon. member tell us how many fuses the American company delivered, say in the third week in January, when the matter was under discussion in the old House of Commons?

Mr. MEIGHEN: I cannot tell what they delivered in the third week of January; but I do know that they delivered practically 400,000 fuses when the hon. gentleman spoke in this House on the 9th of March, and when he stated that they had never delivered any fuses. One would think that the ambition of the hon. member was never to be satisfied until he reached the very perfection of error in all that he stated to this House on that subject. I have not yet got to the worst. There was not a phase of the subject that the hon. gentleman discussed in reference to which he did not, one would think almost of intent, tumble into every pitfall and every blunder that lay along his path. Then he comes to this House and says: "These are specific facts," and he so thunders it out that one can scarcely fail to have a pallor pass over his cheek; and on the authority of the hon. member for Carleton the hon. member for St. John makes these heartrending "charges" on the floor of Parliament to-day. In regard to fuses, it may just as well be stated here that not only have the American Ammunition Company delivered 417,000 graze fuses, of the kind they are assumed to make, but also some thousands of time fuses as well. They have manifested their ability to deliver both. They have not delivered very many of the time fuses yet, and I have reason to believe there is complaint as to the speed with which they are fulfilling their contract, that they are behind, and that some of the contracts have been cancelled. But I have absolute confidence in the present Munitions Board, believing that the interests of the Empire will be well guarded by them, and that this company will be held to their contract, so far as the interests of the country can be served by doing so.

Mr. PUGSLEY: No doubt they will do much better than the old Shell Committee.

Mr. MEIGHEN: No doubt they will do much better than the old Shell Committee? I am now coming to a phase of this question which is very amusing in relation to that remark. My hon. friend from Carleton complains bitterly of the politics that entered into the actions of this Shell Committee; and yet every single fact that he adduced in support of this charge was an act committed by the Imperial Munitions Board. So the hon. member for St. John is now authority for the statement—if I establish what I have undertaken to establish—that the Imperial Munitions Board have been guilty of the politics charged by the hon. member for Carleton against the Shell Committee, but that the Board are doing much better than the Shell Committee. For myself, I not only believe, but I am thoroughly convinced, and I believe hon. gentlemen opposite are also, that there was no politics either in the Shell Committee or in the Imperial Munitions Board, and that it would take them a long while to establish in the mind of any hon. gentleman on this side of the House who came in contact, just as hon gentlemen opposite did, with the Shell Committee, that there was any favouritism shown there—at all events to friends of ours.

I can remember, when I was on my feet before on this subject, that I threw a challenge out to the hon. member for Carleton. I told him that for every company or person

associated with the Conservative party who got a contract from the Shell Committee that he would name, I would name one associated with the Liberal party. He has talked nine hours on the subject since, but he has kept strictly away from that phase of the question, or even from attempting to answer that challenge. Now he tells us that members went there and interfered—that he is ready to name two, or three, or four who went to the Shell Committee and interfered. I challenge him again, and I undertake to say that for every one he will name of our friends who went there I will name, not one of his, because there are not as many of his, but I will go to the length of his number, and I will name members of the Liberal party who went to the Shell Committee and interfered in just the same way as did anybody on this side of the House.

While on this phase of the subject let me make a recommendation to the right hon. leader of the Opposition. He has heard all these discourses of my hon. friend from Carleton—how much he can do with a hack-saw, a hammer, and a piece of copper. I recommend that the leader of the Opposition take the hon. member for Carleton to the Imperial Munitions Board and introduce him to that board, and tell them of the great services this hon. gentleman could render to his country if they would only put him to work making shells or munitions. I recommend his just doing as he did for his constituent from Arthabaskaville; and he could say to the Munitions Board that the great value of the services he would render would consist, not in what he was going to do so much as in ceasing to what he has already done, to the great disservice of his country.

Now I come to these alleged political acts. The hon. member has not so much objection to the large contracts given. He thinks it is all right to feed the Dominion Iron and Steel Company, the Nova Scotia Steel Company, and the Canadian General Electric. These are great big companies and they are, according to him, the people who ought to get the business. He is quite satisfied of that. He has fixed on the Liberal party, so far as he can fix it on them, the policy of giving the munition business to the trusts of Canada and failing to take into consideration that we need the support and co-operation of the whole people of this country, and not just of the large concerns of the Dominion, in this war. He does excuse one of them. The Nova Scotia Steel Company got $15,000,000 of orders. He has no complaint to make on that ground, and it is really amusing as he runs over his charges. Mr Bertram is the hardened sinner, of course, and Mr. Watts next in order; but when he got to Mr. Thomas Cantley, did any one notice the soft pedal he turned on? Mr. Thomas Cantley's Company, he says, got $15,000,000 worth of orders, but the hon. member has nothing to say against Mr. Cantley. He has had an interview, I rather suspect with the hon. member for Pictou (Mr. Macdonald), and as a consequence he comes here, and says: "Cantley is not to blame at all; Cantley was in England all this time, and had not a thing to do with the orders to the Nova Scotia Steel Company, so we may as well eliminate Cantley from the discussion—although he was pointed out to-day by the hon. member for St. John as the chief sinner, because, forsooth, he was manager and had the control of the company that got the order. In this investigation, what are we to assume—that the hon. member for St. John is right, or the hon. member for Carleton? The hon. member for St. John says that the hardened sinner is Mr. Cantley, and the hon. member for Carleton says that Mr. Cantley is not to blame at all. Whose charge are we to investigate? I have no criticism to make of Mr. Cantley. There has not been a tittle of evidence brought before me that Mr. Cantley took any undue advantage of his position to benefit his company. There has not been a suggestion of evidence of that by hon. gentlemen opposite. I have believed Mr. Cantley to be an honourable man; I believe his company to be a credit to Canada, but he is just in the same position as the other men lampooned by the hon. member for St. John and the hon. member for Carleton.

As to Mr. Carnegie, and the company of which he is a director, it has not been shown that he has any substantial interest, and I have not had the time to find out whether he has or not, though one would suppose he had some interest in the company of which he is a director; but Mr. E. Carnegie is perhaps the only man in Canada who had previous experience of shell making, and Mr. Cantley was a member of the committee that was initially formed to provide, through the companies with which they were connected, in one way or another, those first orders of shells for the Government.

These are the men who were formed into a committee for that purpose initially. They made themselves financially responsible for the delivery of those shells; they were appointed because they knew the shell business, because they were the best men that appeared to be available for the purpose of acting on behalf of the British Government in the purchase of shells in Canada. "Oh," says the right hon. leader of the Opposition, "what I charge against you is this: It was right that you should appoint a committee; that was all right; but you should not have appointed men engaged in the steel business; you should not have appointed men who knew the steel business; there is where you made your great blunder, because they would likely be competitors for the business afterwards." I think they were the only men we would have been justified in appointing. The committee was appointed to supply the goods, and to deal with other men who would undertake to supply them. Who would be competent to deal with steel men, and to drive bargains with them in regard to supplying steel for munitions, if not men who knew the steel business, and knew all the secrets and tricks of the trade. My right hon. friend says: "You should have appointed somebody else." If we had done so, we could have shielded ourselves behind the example of the right hon. gentleman himself when he was head of the Government; we could have appointed lawyers and politicians and members of Parliament and every other class of men except those who knew the business which they were appointed to do. We could then have justified ourselves by the precedent which he established. He appointed a commission to build the Transcontinental railway, and he chose a lawyer to build it and a politician out of the House of Commons and a box maker. We should not, he says, appoint a man who makes steel as a member of a committee who are to produce and supply steel to the British Government; we should follow the example of the leader of the Opposition and appoint a man who makes corsets instead.

11 p.m.

Sir WILFRID LAURIER: Whom did you appoint on the Munitions Board?

Mr. MEIGHEN: On the Munitions Board there are still manufacturers of steel.

Mr. PUGSLEY: Who is the chairman?

[Mr. Meighen.]

Mr. MEIGHEN: The feature that was most in mind necessarily at first is no longer the most prominent feature of the work. They are now experienced in the work they have to do. It has become a great business which has to be presided over by a man of large financial grasp. It is on longer a business where the only work is to deal with steel men, and to have the expert knowledge necessary to deal with them. But there are steel men on it still. Most of the men my hon. friends are complaining about are on it still. How comes it that on the first committee, the Shell Committee, they were all wrong, but on the Munitions Board they are all right? Mr. Bertram is on the Board, Mr. D. Carnegie is on it still, and I think there are one or two others who were on the old committee that are on the Munitions Board, but I am not sure. At all events those I have mentioned are there still.

I now come to deal with the political end, and I am going to quote, as I deal with it, a paragraph from the speech delivered by the hon. member for Carleton on March 9. He said he had come to the worst feature of the whole thing, namely the attempt to use politics, the political end of the game which the Shell Committee had played; and here is the way in which he exposed the iniquity of the political end to the House. He went over a list of ten companies, and I ask the House to approach this phase of the subject with care. The hon. member for Carleton read a list of ten companies which he said had got orders. First, he described them as mushroom companies, but throughout the whole of his nine hours' speech he did not show that a single company was a mushroom company, nor has he shown that there would have been anything wrong or detrimental to the public interest in men who knew the work getting together to do the work to provide munitions for the War Office, even though a company was formed for that purpose. At all events, he has not shown that a single company belonged to that class. He opens his paragraph on the political end thus:

> I find that the Dominion Harvester Company, of Medicine Hat, were able to get an order for 10,000, and up to a month ago they had not delivered a single shell. The International Supply Company, of Medicine Hat, got an order for 10,000 and not a shell has been delivered. The Manitoba Bridge and Iron Works, of Winnipeg, got an order for 20,000, and not a shell has been delivered.

I ask the House to note this interruption:

Mr. Hanna: What is the date of those orders?

Mr. Carvell: I could not say exactly; it was during the summer of 1915. I am only giving these to show the political end of the transaction.

There is no doubt as to what he was trying to say; he was trying to bring home to the Shell Committee the guilt of utilizing their office to distribute patronage among manufacturers for political purposes, to the detriment of the nation, in that they never supplied the goods. That was his object. I have read the names of three companies that he enumerated, and I am going to go through the whole ten in order to see how he brought home this charge of guilt to the Shell Committee.

There was an order given to the Dominion Harvester company. It will be recalled that the Shell Committee went out of office on the 30th day of November, 1915, and that since that date the Munitions Board has been in control, and the Shell Committee is no more. It is necessary to keep that in mind, because the hon. member for Carleton rested his attempt to bring home to the Shell Committee, who were all wrong, not, of course, to the Munitions Board, who are, he said, all right, the guilt of distributing political patronage to people who never supplied shells at all. The Dominion Harvester company, to which he refers first, got an order, he says, for 10,000, and none had been delivered up till a month ago. Does he know when they got the order? The hon. member for South Lanark (Mr. Hanna) asked him that question on the floor of the House, and he said it was in the summer of 1915. The fact is that they got that order on the 12th day of January, 1916, from the Munitions Board. Does he complain that the shells have not been delivered? Was his charge anything but a libel against the Dominion Harvester Company? If he does complain, how does he come to blame the Shell Committee, who were out of existence for a month before that order was given?

We pass from the Dominion Harvester Company. The International Supply company got an order, he says, for 10,000, and not a shell had been delivered. Here is another example, according to my hon. friend, of the political end of the business of the Shell Committee. The International Supply Company did get their order for 10,000 shells, but it was on the 12th day of January, 1916, from the Munitions Board, and not from the Shell Committee at all. The Shell Committee had nothing to do with it. One of these companies—I will not say which, because I would not like to be wrong—has had its order cancelled since by the Munitions Board for failure to deal fairly with its employees.

Then we come to the third one. We have passed the other two, and I am sure the hon. member is proud of the charges he is levelling against these business concerns in Canada and against the Shell Committee, that had nothing to do with them. The Manitoba Bridge and Iron Works are next. The hon. gentleman says that they got an order for 20,000 shells and that not a shell has been delivered. He had hardly taken his seat until the answer to this libel was hurled at his head in a telegram from the Manitoba Bridge and Iron Works themselves and he was compelled to admit on the floor of Parliament next day that so far from having stated the truth, the actual truth was that that company had had three orders, that the first two they had delivered in full and on time, that the third was only given recently and that it would be delivered on time as well. That company has already delivered 47,880 shells, and that is the company which, he says, has not delivered any. Its last order for 20,000 shells was given on the 28th January, 1916, and therefore he brings home guilt to the Shell Committee which went out of office on the 30th November, in the year before, because in giving this contract to the Manitoba Bridge and Iron Works, they were distributing political patronage. The hon. gentleman made a statement in the House—he had often made it before—as to what he was ready to do and to be interesting I am going to read that statement. He was going to apologise. Here is what he said:

It is true that sometimes we have a lot of difficulty in getting information and possibly we might not be right exactly to a cent, but I am sufficiently assured of the facts that I am going to read to the House to stake my reputation as a member of that—

I congratulate the hon. gentleman that he did not make the stake any higher.

—if you will give me a committee I will prove them to the hilt or apologize to this House and to the committee and say that I did not know what I am talking about.

In fulfilment of that contract, it is the duty of the hon. gentleman, in respect to these three companies to which I have already alluded, to admit that he did not know what he was talking about and to apologize to the House and to the country. I wait with considerable interest, but with

more interest than hope, to see whether he does so. Well, I pass on to the other seven.

Some hon. MEMBERS: Get up; get up.

Mr. SPEAKER: Order.

Mr. CARVELL: Give us the committee and we will show you.

Mr. MEIGHEN: Now he wants a committee so that he will have a chance to apologise. Having got through with the Manitoba Bridge and Iron Works, I come to the Manitoba Shell Company of St. Boniface. He says they got an order for 10,000 shells, and that none of them have been delivered. They got an order for 10,000 shells, and when did they receive it? —in December, 1915, almost a month after the Shell Committee went out of existence. That is the position of that company, and of course this is another nail in the coffin of the Shell Committee, and a bringing home of the charge that they used their position to distribute political patronage. Now I come to No. 5. The Transcona Shell Company of Winnipeg, he says, got an order for 250,000 shells and nothing delivered. The Transcona Shell Company did get orders for 250,000 shells, but, so far from having delivered nothing, they have delivered 28,530 shells, and the order for 200,000 shells was not received until the 4th January, 1916. Perhaps there should be an investigation, but it is not into the Shell Committee. The hon. member for Carleton possibly knows where the investigation is most required. Then, the Vulcan Iron Works are the next offenders. The Vulcan Iron Works Company is a firm, I do not know how large, but of long standing in this country, doing business in Winnipeg when I went there in 1898, and I believe for many years before. That is the next company that comes in for castigation and lampooning at the hands of the hon. member for Carleton. They got an order for 20,000 shells, and nothing delivered. Well, they got orders for 50,425 shells, and they have already delivered 46,416, and the 20,000 order was not given until the 4th January, 1916. Another apology from the hon. gentleman!

These facts were just as accessible to him as to me. He could get them to-day or to-morrow or any other day, and he has been told that by members of the Government repeatedly. The members of the Munition Board are ready to give any member of Parliament these facts. They do not feel justified in exposing to the country prices and other matters connected with the resources of the country, but they are ready in regard to these matters to take any member of Parliament into their confidence and reveal to him any facts to which he feels that as a member he has a right.

Mr. CARVELL: I wish to state to the hon. gentleman that within a month I received from the hon. the Minister of Marine and Fisheries (Mr. Hazen) a copy of a letter purporting to be from the Chairman of the Munitions Board—I do not have it with me—practically refusing me all the information which my hon. friend is now speaking about .

Mr. MEIGHEN: I do not fully know the contents of that letter. I am disposed to think—I may be wrong—that the letter stated that if the hon. member would go to the committee he would get the facts.

Mr. CARVELL: I will go to the committee.

Mr. MEIGHEN: But they do object to stating it in writing. At all events, the hon. gentleman can go and get such facts as he desires. He has just as much right to those facts as any other hon. member of this House and will have just as little difficulty in getting them. The Western Shell Committee, he says, got an order for 300,000 shells and not a shell delivered. The fact is that the Western Shell Committee has delivered 198,178 shells. I am of opinion that this Western Shell Committee is a committee of the different factories out there who are doing the work, and while I do not wish to say positively, I have been inclined to believe that this represents other orders, and that to count these with the others would mean to count the others twice. However, of the orders for 300,000 shells, 198,178 have been delivered.

That concludes the hon. gentleman's allegations as regards the three Prairie Provinces. The hon. member for Carleton, of course would not give any contracts to those provinces at all. He would confine his operations to the big trusts in the East. He would ignore the smaller factories everywhere. That is the inevitable conclusion from his argument. He said so in so many words: "Here is the way they have done; here is the way they have lived up to their contract!"—and on the strength of that he libels them before the people of this country and before the world. The Vancouver Engineering Works, he says, got an order for 340,000 shells, of which they have

delivered 39,000. They got orders for 30,000, for 15,000 back in the summer, and for 40,000 in October, 1915. Instead of their only having delivered 39,000, they have delivered 66,442, and finally the last two contracts were only made, one on October 8 and one on October 18. These contracts were made under the eye of the British representative, Mr. Thomas, made while he was here, and in fact directing the work of the Shell Committee. Was Mr. Thomas a party to the distribution of political patronage? Over and over again the hon. member for Carleton says in his address: "Is it any wonder that the British Government sent out a representative to investigate those things?" It seems never to have occurred to his mind that the very things of which he was complaining were done after the British Government had sent out their representative.

Victoria Machinery Depot of Victoria. I think this is in the same position as the Western Shell Committee, that is to say, an organization representing those that supply shells. They got an order, he says, for 220,000 and only about 10,000 have been delivered. There have been 12,684 delivered, but the point of the thing is this, that the order for 200,000 shells was obtained on the 18th day of October, 1915, just a little while before the Shell Committee went out of existence, while the British representative himself was here and while every contract was made under his very eye and with his approval.

The Vulcan Iron Works of New Westminster is the last of the ten. He complains because they got orders for 150,000 and only about 35,000 have been delivered. He is wrong as to that, because they have not delivered that many, but it would, of course, be inconsistent on the part of the hon. gentleman to be right, even were the correct figures in his favour. He seems to have made up his mind to have the facts all wrong on one side or on the other. I do not know whether that company has delivered any—my note is not complete in that regard—but they obtained an order for 150,000 on the 19th day of October, 1915; that is to say, they too obtained their order while the Shell Committee had the British representative amongst them, and while he himself was supervising and approved all the work and all the orders.

Mr. CARVELL: Will my hon. friend state now the number of the deliveries that have been made up to a month from the time that I was speaking? because, if he will refer to page 1628 of Hansard, the first reference I made to those ten companies was as follows:

> I find that the Dominion Harvester Company, of Medicine Hat, were able to get an order for 10,000, and up to a month ago they had not delivered a single shell.

Mr. MEIGHEN: That is exactly what I read, as said by the hon. member for Carleton in respect of the Dominion Harvester Company, but he did not say that in respect of a single other company. But here is the point of the whole affair: the Dominion Harvester Company got its order on the 12th of January, 1916. In the name of common sense how much would my hon. friend expect them to have delivered a month ago?

Mr. CARVELL: Will my hon. friend give the information as to what deliveries had been made up to a month ago?

Mr. MEIGHEN: In almost all the cases the orders were given only a few weeks before a month ago. My hon. friend does not, except in respect of that one company, use the words "up to a month ago" when he says that they had not delivered any shells. Why does he seek to modify his language now? but, modify it now as he will, it does not substantiate to the millionth part of a minute any single charge he has made. If they had not made any deliveries up to that time, is that a charge against the Shell Committee, which did not distribute 75 per cent of the orders of which he complained, and which, in regard to the other 25 per cent, distributed them under the eye and under the supervision and approval of Mr. Thomas himself? I was going to say that is a narrow hole to try to get out of, but it is not a hole at all; it is closed absolutely. If the hon. gentleman wants to comply with his contract, he has nothing left to him to do but to apologize to the House at the first opportunity. Why, he says, nothing delivered up to a month ago! The Dominion Harvester Company got a contract on the 12th day of January, 1916—it is an awful thing that they had not delivered anything up to a month ago! "The Canada Cement Company," he says, "is the company that you should have dealt with and that could have delivered shells." Is my hon. friend aware that the Canada Cement Company took a contract on the 2nd day of November, 1915, and, in respect of part of the contract has not even the plant in yet and has not delivered a shell in respect of any part of the contract?

Mr. CARVELL: Does my hon. friend want an answer to that question, because he put his remark in the form of a question? I

am aware that the Canada Cement Company did not agree to furnish the forgings for the first part of their contract; they did agree to furnish the forgings for the second part.

Mr. MEIGHEN: That is right.

Mr. CARVELL: They are and have been for some three weeks ready to go on machining shells, but the parties who are responsible for producing the forgings have not done so, and that is the reason why the Canada Cement Company has not furnished shells.

Mr. MEIGHEN: All the same, why does the hon. gentleman not tell the whole of the truth while he is at it? The Canada Cement Company, when they put in their tender for those shells in relation to which they did not have to supply the forgings, stated that they expected to have the plant ready by the 15th of January, or two and a half months after the contract was let, and, as a matter of fact, they got it ready to commence work in February; that is to say, it took them—I am not making any complaint against them because it is a large plant and would necessarily take a long time to make ready—three months to get ready one plant in relation to one part of the contract, and in relation to the other part they have not the plant ready yet. Nevertheless, my hon. friend complains that the Dominion Harvester Company had not delivered a month ago shells for which they got the contract on the 12th of January of this year, and he holds up the Canada Cement Company as the company that we ought to have dealt with, and that would have saved the lives of the soldiers at the front.

Mr. CARVELL: They are making 9·2 shells, while the others are only making 18-prs.

Mr. MEIGHEN: No, they are not making any at all; they will be making 9.2's later, and doubtless their plant is heavier than that of the other companies. I have not the slightest doubt that the Canada Cement Company are putting the plant down as fast as possible; I believe they have a careful manager; and, further than that, I know it is a fact that, in relation to this order, the Shell Committee were not in a position to let it until very shortly before they did, and, in relation to the other, the correspondence will show that no complaint was made by them against the company at all, but complaint was made because they were not in a position to get orders of the size and extending over the period for which the Canada Cement Company wanted orders in order to deliver the shells at the price quoted. Any one who has the slightest conception of business knows that a large concern, provided that they can get a large contract extending over a long period of time, can undertake to deliver at a much cheaper rate than can a smaller concern which has not so large a contract; and a small concern, if it could be arranged with them that they would have all they could make within a year or two years, could make the prices considerably lower than they could in the absence of such an agreement. But the Shell Committee were not in a position to deal without reference to the British Government. They did deal after reference to the British Government, and they gave their contracts under their direction and every price in every instance was approved before a contract was let. Yet we are asked by the hon. member for Carleton and the hon. member for St. John to sit in arrogant judgment over the work of the British Government and to tell them that they know nothing about the price they ought to pay for shells.

I had no thought of detaining the House to so late an hour. I think I have pursued the assertions made by the hon. member for Carleton from end to end of his remarks. I do not know of anything that I have omitted.

Mr. CARVELL: You have not referred to prices yet.

Mr. MEIGHEN: I think I have referred to prices, have I not?

Mr. CARVELL: I have not heard it.

Mr. MEIGHEN: I think so, but I did set out to say this, that I was not going to add to the injury that the hon. member had done to this country by exposing to the people of the world what the British Government do not want revealed. I am going to keep my contract whether the hon. gentleman keeps his or not. I do not propose to share with him the guilt that he already has brought upon his own head.

Mr. CARVELL: The hon. gentleman is not likely to talk prices.

Mr. MEIGHEN: I will talk prices with the hon. gentleman at any time he wants to, as soon as we get the proper authority to do it.

Mr. CARVELL: Go on now.

Mr. MEIGHEN: I have said where I will go and where I will stop, and the hon. gentleman shall not persuade me to go further. What does the hon. gentleman care? He is ready to sit in judgment on the British Government or any other authority so long as he can bring a little of this counterfeit glory around his own head, and rail and rage and rant before the House of Commons or make a pyrotechnic display before a committee of the House. These hon. gentlemen do not want a commission. The hon. member for Carleton is on record more than once as saying they do not want a judge looking into this thing, but what they want is a committee. Why do they not want a commission? I will tell you—it is because they do not want a verdict. All these hon. gentlemen want is a chance to do what they are doing and have been doing for the last month, under cover of a supposed truce—they want to take stray portions of the evidence, leaving out the contradictions, qualifications, modifying explanations, to take stray portions of the evidence, though these may have been demonstrated to be false, and scatter broadcast throughout the provinces this poisonous political garbage. That is the policy of these hon. gentlemen.

Mr. CARVELL: With the permission of the hon. gentleman I would ask one question before he leaves the point about these western companies. I would like him to look over his notes and see if it is not a fact that the Dominion Harvester Company, of Medicine Hat, received an order for 20,000 shells early in 1915 of which they had not delivered a shell when they got their second order in 1916.

Mr. MEIGHEN: I presume that somebody has sent that to the hon. member. It is not in my notes; there is a note that the Dominion Harvester Company delivered some through the Alberta Foundry and Machine Company as sub-contractors. I do not know whether or not that is what he refers to. At all events, the order of which he complains was given at that later time.

The hon. gentleman is very anxious about the matter of prices. I know enough about that matter to know that for the House of Commons to pass the resolution he supports would be as manifest and blazing folly, having regard to the interest not only of Canada but of this Empire, as was ever perpetrated in a deliberative assembly. I know that whatever prices were made were made by the British Government, without dictation, without suggestion, without supervision, and, consequently, without responsibility, on the part of this Government. I know that the responsible Government for the prices is the Government of Great Britain; and if it is felt by the British people or the British Government that errors were made, and if they will either make an investigation themselves or ask us to make it, we will hasten to comply with their request in whatever form it takes. And no one would be more pleased than myself to receive that request. For, one thing it will do is to remove imputations from the heads of men in this country who have no right to bear those imputations at the hands of hon. gentlemen opposite; and another thing it will do is to bring home to the hon. member for Carleton and the hon. member of St. John the fact that they stand, and have stood since they made these charges, as profligate and abandoned slanderers.

Sir WILFRID LAURIER: Order.

Mr. SPEAKER: Order.

Mr. CARVELL: Let him go on, Mr. Speaker; it does not hurt anybody.

Mr. SPEAKER: I would remind the hon. member (Mr. Meighen) that such language is offensive and unparliamentary.

Mr. MEIGHEN: I do not think I am unparliamentary in using the word, for I think I can show that it has been used. But I bow to your ruling, Mr. Speaker, and withdraw the expression.

I have no complaint to make as to the tone of the speech made by the right hon. leader of the Opposition (Sir Wilfrid Laurier); but I have to complain of one phase of that speech. Perhaps the matter is not of sufficient importance to delay the House, but I do not wish to be charged with omitting it. In the course of his address, the right hon. gentleman stated that in the quotation I had made from a previous speech of his I had not done him justice; in fact, he went so far as to say that I had "curtailed" and he should say "garbled" his remarks. He went on to state that I had left out certain portions at the beginning and at the end, and that as a consequence, he said, I had conveyed a wrong idea of what he intended to say to the House. I know it is quite possible, by leaving out portions of a speech or of a paragraph, to allow a wrong impression to

be conveyed, and I know that if I did that I should be guilty of an offence of which I should not like to be guilty. I have found the leader of the Opposition a very fair debater. I did not intend to convey a wrong impression of what he said, and I did not do so. I did leave out something at the beginning and something at the end. I do not know of any way of making an extract except by leaving out something at the beginning and at the end. But I did not leave out anything which modified the view expressed by him in what I quoted. The view he expressed was that, in regard to the motion for the production of papers bearing on transactions made by departments of his Government with the British Government, he would not be justified in granting it, nor would he be justified in referring it to a special committee. He said he would not refer it even to the Public Accounts Committee. He went on to say that if charges were made against the Government, then he would give an investigation. The charges he referred to were charges involving the honor of a minister of the Crown. If such charges had been made here, then it would have been my bounden duty to quote that portion of his speech, because it would have modified the view he expressed in relation to the point I was arguing. But no such charges were made then, as no charges are made now, against the Government, of the nature he meant—and he will not deny he meant charges of that nature, for if he does I can show that that is what he must have meant. Consequently, the remarks I left out had no relation to the point discussed either then or now. He refused in that case even to produce the papers, because he said they related to the conduct of a department of his Government acting for the British Government. I stated that he could not consistently refuse that then, and now say that we should grant an investigation in regard to the conduct of a committee, not a department of the Government at all, nor could he argue, even if they were a department of the Government, that we should grant an investigation. For, even had they been a department of the Government, we would have been in exactly the same position as he was in at that time. I think he was wrong at that time, and that the present Prime Minister (Sir Robert Borden) was right. The war being over, and the work having been done by a department of the Government, he should have brought down papers. But he refused to do so. I did not then try, and I do not try now, to shelter myself or the Government behind the precedent he then established. I think that precedent was wrong. I say that he certainly could not consistently take that position then, and take his present position now. In quoting what I did I quoted everything that bore in the slightest degree upon the argument that I had or upon the argument that was sought to be made by the hon. gentleman himself. I quoted everything that bore in the slightest degree upon the point that was under discussion; the rest bore on another point altogether, upon a subject which did not enter into consideration of the facts at that time and does not enter into consideration of the facts now. I make these remarks only because the leader of the Opposition went pretty far when he said that I had garbled what he said. He did not, however, go so far as certain newspapers have since gone in endeavouring to interpret his remarks. I do not want to be guilty in this House of garbling the remarks of any hon. gentleman; if I cannot argue fairly, I prefer not to argue at all. I may have spoken very strongly with regard to the conduct of the hon. member for Carleton and of the hon. member for St. John, but they have repeatedly in this House of Commons made assertions in regard to the truth of which they had made no adequate investigation. On the basis of assertions of this kind they have hurled recklessly at the head of various citizens in this country and at the heads of members of the Government—which is not so important a matter—charges of the most reckless and most damaging kind. I do not believe that such practice comports with the dignity of Parliament, and I propose whenever it is done to use language as strong as I can, within the rules of Parliament, to rebuke it. I have no personal animosity against these hon. gentlemen; I do believe that I have done no more than my duty as a member of this House in describing, in the only fit language that can be used, the conduct of which they have been guilty in regard to the motion that is before the Chair.

[Mr. Meighen.]

On motion of Mr. F. F. Pardee (West Lambton), the debate was adjourned.

Sir WILFRID LAURIER: What business to-morrow?

Sir ROBERT BORDEN: The Budget.

Mr. A. K. MACLEAN: The Budget resolutions?

Sir THOMAS WHITE: The tariff resolutions and the new taxation resolutions.

Motion agreed to, and the House adjourned at 11.41 p.m.

Wednesday, March 15, 1916.

The House met at Three o'clock, the Speaker in the Chair.

INTRODUCTION OF PRIVATE BILL.

Bill No. 57, for the relief of Nora Louise Jackson.—Mr. Douglas.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

COAL FROM HALIFAX TO HUDSON BAY.

Mr. A. K. MACLEAN:

1. Was any coal shipped from the port at Halifax to Hudson Bay in the years 1914 and 1915?
2. If so, what quantities were shipped, what was the price per ton, and by whom was the same supplied?
3. Were tenders asked for the said supply of coal? If so, what persons tendered, and what was the price stated in each tender?

Mr. REID:

1. Yes.

2. In 1914: 960 tons of anthracite in bags at $8.50 per ton net, and 41 tons of blacksmith coal in bags at $6.50 per ton net, supplied by the Dartmouth Coal and Supply Co., Ltd., they being the lowest. Tenders for the 1913 supply were called for and the lowest tenders were accepted. The department being unable to secure sufficient tonnage for all shipments in 1913, part of the 1913 supply of coal was held over until 1914, and shipments for 1914 were completed by contractors for the 1913 supply and at the same prices. In 1915: 700 tons of anthracite coal, in bags at $10.25 per ton net, supplied by the Dartmouth Coal and Supply Co., Ltd., the lowest tender. 41 net tons of blacksmith coal supplied in bags at $8 per net ton by Hugh D. McKenzie Co., Ltd., Halifax, the lowest tender.

3. Tenders for 1913 supply were:

Name.	Anthracite.	Blacksmith.
S. Cunard & Co., Halifax, N.S.	$9 00	$7 00
Angus Young, North Sydney, N.S.	9 24	.....
Dartmouth Supply and Supply Co., Dartmouth, N.S.	8 50	6 50

Tenders for 1915 supply were:

Name.	Anthracite.	Blacksmith.
S. Cunard & Co., Halifax, N.S.	Could not quote.	
Dartmouth Coal and Supply Co., Dartmouth, N.S.	$10 25	$8 25
Hugh D. McKenzie Co., Ltd.	10 50	8 00

D. D. BENNETT.

Mr. W. M. MARTIN:

1. Has the Government made any attempt to locate one D. D. Bennett, of Regina, who was said to have been implicated in the hay and oats scandals in that city, and who, as alleged, left the city before the trial of one Mitchell on a charge of forgery, in connection with the purchase of hay and oats by the Militia Department?
2. If so, what success has attended the efforts of the Government?
3. Does the Government intend to prosecute the said D. D. Bennett?
4. Will the Government receive information, if offered, as to the whereabouts of the said Bennett?

Mr. DOHERTY:

1. Yes.

2. The agent of the Department of Justice at Regina states that Bennett was taken into custody by the American authorities for the purpose of being deported to Canada as an undesirable and that he was to be handed over at Pembina on the 4th March instant. His deportation has, however, been deferred by reason of habeas corpus proceedings which will come on for hearing on the 15th March instant.

3. The agent of the Department of Justice at Regina has been instructed to institute prosecution proceedings against Bennett as soon as he is deported back to Canada, or, failing deportation, to take extradition proceedings.

4. Answered by No. 2.

MR. AURELE GELY.

Mr. BOURASSA:

1. Is Mr. Aurèle Gely of Lévis, employed by the Government in the Excise office at Lévis?
2. If so, (a) since when, (b) on whose recommendation, and (c) what is his salary?
3. Is the Government aware that the same Aurèle Gely, while an employee in the excise office at Lévis, is said to have held the position of traveller for the Chinic Company, of Quebec?

Mr. PATENAUDE:

1. Yes.

2. (a) 11th Sept., 1913; (b) nothing on record; (c) $1,000 per annum.

3. No.

GOVERNMENT OFFICIALS IN MUNICIPAL ELECTIONS.

Mr. MARCIL:

1. Is there a rule in the Department of Inland Revenue preventing an inspector of Weights and Measures from taking part in municipal elections as a candidate, or acting as a councillor or mayor?

Mr. PATENAUDE: There is no rule, but the practice is not encouraged.

OTTAWA MILITARY CAMP DOCTORS.

Mr. ALFRED THOMPSON:

1. Who are the medical doctors who have been in charge of the military camp at Ottawa since the commencement of the present war?
2. How many men are there in that camp?
3. How many deaths of enlisted men have occurred in that camp?

Mr. KEMP:

1. Records show the following medical officers have been employed in Ottawa with units as shown against their names, since August, 1914:

Capt. L. C. E. Beroard, 2nd Div. Engineers, C.E.F., from Nov. 14, 1914, to Jan. 13, 1915.

Lt.-Col. T. W. H. Young, 2nd Div. Engineers, C.E.F., from Jan. 14, 1915, now overseas.

Major F. W. McKinnon, Engineers Training Depot, C.E.F., from June 28, 1915, still on duty in Ottawa.

Lt.-Col. J. W. Shillington, Engineers Training Depot, C.E.F., from Feb. 22, 1916, still on duty in Ottawa.

Capt. J. H. Munro, 38th Overseas Battalion, C.E.F., Jan., 1915, now in Bermuda.

Capt. A. R. Farrell, 7th Bgde., C.F.A., C.E.F., from March, 1915, now overseas.

Capt. J. H. Jones, 8th C.M.R., C.E.F., from Sept., 1915, now overseas.

Capt. J. H. Laidlaw, 77th Overseas Battalion, C.E.F., from Aug. 18, 1915, to Aug. 31, 1915.

Capt. N. M. Halkett, 77th Overseas Battalion, C.E.F., from Sept., 1915, still on duty in Ottawa.

And in the base hospitals caring for these troops, the following medical officers have been employed:

St. Lukes—Major G. S. MacCarthy, Major F. W. McKinnon, Capt. A. F. McLaren.

Protestant General—Lt.-Colonel D. A. Whitton, Major A. F. Argue.

Water Street—Major J. L. Chabot, Major R. Law, Lieut. R. H. Ells.

2. 2,019 all ranks as on the 1st March, 1916.

3. Of the men treated in hospitals, the hospital records show three have died.

STONE FOR SOULANGES CANAL.

*Mr. BOYER:

1. What was the amount of the tender submitted by Messrs, J. A. Major, of Montreal, and Philias Doré, of Valleyfield, for the supply of stone for the construction of the pier on the Soulanges canal?
2. Were the tenders called publicly?
3. If so, in what newspapers?
4. What are the daily salaries of the officers and crew of the tug Carillon, of Napoléon Bertrand, Napoléon Molleur, Alex. Menard, Joseph Beriault and of Rosanna Bertrand?
5. What salaries were received during the past season by Adélard Royal, Edmond Royal, Benjamin Gauthier, Avila Gauthier, Joseph Lalonde, Daniel Lalonde, Valmose Filiatrault, Wilbrod Legros, Jos. Lefebvre, Isidore Lecompte, Honoré Miron, Xavier Dubois, Arsène Beriault, Louis Gagnon and Isaïe Leroux?
6. What was the character of the work given them to do?
7. Under whose superintendence was such work done?
8. From what date to what date did the carrying of the stone last?
9. What quantity in tons of stone did a scow contain?
10. How many scows were used in the transportation of the stone?
11. How many scows did the tug Carillon tow at each trip?

[Mr. Patenaude.]

Mr. REID:

1. Under date February 3, 1915, the superintending engineer of the Quebec canals forwarded tenders for the stone to be furnished at the head of the Soulanges canal from J. A. Major & Co., of Montreal, Quebec, at $1.60 per cubic yard, and Phileas Doré, of Valleyfield, Quebec, at $1.90 per cubic yard. Owing to these prices being high, and there being some difference as to the basis of the tenders so that a proper comparison was difficult, neither tender was accepted. Under date the 23rd of July, the department asked for tenders by circular letter from J. A. Major & Co., Montreal, Quebec, and Phileas Doré, Valleyfield, Quebec, specifications being prepared calling for tenders on a per ton basis. The only tender received was that of Phileas Doré, Valleyfield, Quebec, at $1.29 per ton of 2,000 lb., delivered on Government scows at point directed by the contractor, according to specification. This tender was recommended by the Chief Engineer of the department, and accordingly was accepted. It now appears that the letter addressed to J. A. Major & Co., of Montreal, Quebec, asking them to tender, was later returned to the department, marked "Opened by mistake, A. J. Major," after the tenders had been dealt with.

2. Tenders were invited by departmental circular letter.

3. Answered by No. 2.

4. The salaries of the officers and the crew of the tug Carillon are: Napoleon Bertrand, $85 per month; Nap. Molleur, $85; Joseph Molleur, $60; Alex. Menard, $50; Joseph Beriault, $50; Rosanna Bertrand, $40.

5. Salaries received during the past season as follows: Adelard Royal, $232.75; Edmond Royal, $84.20; Benjamin Gauthier, $105.80; Avila Gauthier, $101; Joseph

Lalonde, $128; Daniel Lalonde, $77; Wilbrod Legros, $98; Jos. Lefebre, $140.20; Isidore Lecompte, $27.80; Honore Miron, $12; Xavier Dubois, $1; Arsene Beriault, $42.20; Louis Gagnon, $4; Isaïe Leroux, $41.80; Valmose Filiatrault, $141.

6. Levelling top of bank, forming slope, unloading scows and placing stone on slope.

7. L. S. Pariseau, C.E., and J. T. Lemaire, C.E.

8. From the 25th August to 25th November, inclusive.

9. Average 113 tons.

10. Three.

11. One, except one trip with two scows.

SOULANGES CANAL DREDGING.

Mr. PAPINEAU:

1. What quantities of material did the Dredge No. 2 raise during the summer or 1915, for the enlargement and deepening of the channel at the entrance to the Soulanges canal?
2. Who were the officers and men of the crew, what were their respective daily salaries and from what date to what date did the said dredge work at that place?
3. Did Dredge No. 2 do any other work at any other place on the canal?
4. If so, where, and what quantities of material was raised, and the number of days occupied?
5. Did the Government pay the board of the men on such dredge?
6. If so, how was such board procured, and how much per day for each man did it cost?

Mr. REID:

1. 25,190 cubic yards, scow measurement.

2. William O'Brien, superintendent, $150 per month; Alf. Leger, engineer, $90 per month; Alph. Paradis, craneman, $90 per month; H. Voisard, assistant craneman, $55 per month; R. Danis, fireman, $60 per month; R. Belanger, deckhand, $50 per month; Ed. Montpetit, deckhand, $50 per month; Victoria Seguin, cook, $40 per month; J. B. Deschamps, night watchman, $2 per day. Dredge No. 2 worked at channel upper entrance from May 1 to November 19, except from the 9th to the 13th of June, when she was working at Valleyfield.

3. Not in the canal, but at Valleyfield preparing foundation for protection to dam.

4. Quantity of material raised at Valleyfield, 4,130 cubic yards, scow measurement; number of days occupied, 19.

5. No. None of our crews are boarded by the department.

6. Answered by No. 5.

FOX RIVER BREAKWATER.

* Mr. LEMIEUX:

1. What sums of money were spent by the Public Works Department on the Fox River breakwater, county of Gaspé, since the 1st January, 1912?
2. Who has been appointed superintendent of the works?
3. How much has been paid up to date to said superintendent?

Mr. ROGERS:

1. $10,525.55.

2 and 3. Alexis Dufresne, as foreman, $723.25; Ernest Lapage, as foreman, $171.

PICKLED FISH.

Mr. SINCLAIR:

1. How many barrels of pickled fish have been inspected and branded by the Government inspectors during the year 1915?
2. In what localities, and what number of barrels were inspected in each place named?

Mr. HAZEN:

1. 1,328 barrels inspected, 1,211 branded.

2. St. John, N.B., district, 899 inspected and branded; Miramichi and Caraquet districts, 319 inspected, 302 branded; Halifax district, 10 inspected and branded; Prince Edward Island district, 100 inspected, none branded.

ENLISTMENT OF POST OFFICE EMPLOYEES.

Mr. BEST:

How many Government post office employees from each city in the Dominion have enlisted for overseas service since the war started?

Mr. CASGRAIN: Charlottetown, 4; Halifax, 14; Sydney, 3; Amherst, 2; Truro, 1; Moncton, 3; St. John, 19; Fredericton, 1; Quebec, 5; Sherbrooke, 5; Montreal, 43; Ottawa, 53; Cornwall, 1; Brockville, 2; Kingston, 3; Belleville, 2; Peterborough, 7; Lindsay, 1; Toronto, 164; Galt, 3; Guelph, 5; St. Catharines, 2; Hamilton, 16; Brantford, 7; Woodstock, 1; Berlin, 1; London, 21; St. Thomas, 2; Chatham, 6; Windsor, 2; Niagara Falls, 1; North Bay, 1; Port Arthur, 5; Fort William, 8; Winnipeg, 126; Portage la Prairie, 2; Brandon, 10; Regina, 35; Moosejaw, 36; Saskatoon, 32; Prince Albert, 10; Medicine Hat, 6; Edmonton, 40; Strathcona, 3; Calgary, 76; Lethbridge, 14; New Westminster, 6; Vancouver, 74; Victoria, 26; Nanaimo, 2; Prince Rupert, 2.

WAR SUPPLIES—BAYONETS.

Mr. CARVELL:

How many bayonets, with the bulge removed, as described by the Minister of Militia on page 1413 of Hansard of this present session, have been manufactured and delivered to the Canadian Army?

Mr. KEMP: It is impossible to give the correct numbers, but it is understood that these changes were made in England, as far as the bayonets which have been sent overseas are concerned. As regards those now being manufactured, negotiations are under way to have the alterations made in Canada.

SHELBURNE CUSTOMS DUTIES.

Mr. KYTE:

What was the amount of customs duties paid at the port of Shelburne, N.S., for the month of December, 1915, respectively, on imports from the United States of America, and on imports from other countries?

Mr. REID: United States of America, $3,478.07; other countries, nil.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. McKenzie.—For a return showing the names of those who have been furnishing food, clothing and other necessary supplies to the soldiers at North Sydney and Sydney Mines, since 4th August, 1914, to 1st February, 1916; the names and amounts paid to each, and amounts due to each on 1st February, 1916, over and above what has already been paid; whether the said supplies of all kinds were obtained or called for by public tender, and if so, how the tenders were called, and who were the tenderers; whether the contract for such supplies was always given to the lowest tenderer; the names of those who tendered and the figures of the tenders in each case; and the different methods by which tenders were invited, and for what classes of merchandise or supplies.

Mr. McKenzie—For a copy of all letters, telegrams and petitions in the possession or under the control of the Post Office Department having reference to the dismissal of Postmaster McRitchie at North River Centre, Victoria county, Nova Scotia, and to the appointment of Neil McLeod in his place.

Sir Wilfrid Laurier.—For a copy of all correspondence between the Government and the provinces, regarding increased co-operation in the promotion of immigration and land settlement, commencing with a letter of the Minister of the Interior to the provincial Prime Ministers, in November, 1911.

SHIPMENT OF SYRUPS FROM WEST INDIES.

On the Orders of the Day:

Sir WILFRID LAURIER: I wish to call the attention of the Minister of Marine and Fisheries to the fact that merchants in Quebec doing business with the West Indies have written to me that they cannot get space for molasses and products of that kind on board the subsidized steamers plying between the West Indies and St. John. Their correspondents in the West Indies tell them that these steamers refuse to take syrups, the whole of the space being taken up by sugar, which, they say, is more paying freight. These merchants say that for some months past they have not been able to obtain any molasses. In view of the fact that these steamers are subsidized by the Government, this matter ought to be inquired into. I would ask the good offices of the Minister of Marine, or of the Minister of Trade and Commerce if he were here, to look into the matter and tell me what answer I may give to my correspondent in Quebec.

Mr. HAZEN: I shall be very glad to do so, although the matter is one that comes more within the jurisdiction of the Department of Commerce which controls questions of subsidies to steamboats. I understand that these West Indian steamers during the present winter have been carrying very large cargoes. Although they are much larger boats than were on the route a few years ago, the development of business this winter has been so great that they have been unable to carry all the cargo offered. I presume it is necessary for them to bring the sugar to Canada for the purpose of affording work to the employees of the sugar refineries. I understand from the Minister of Railways that an attempt is now being made to relieve the situation, and it is probable that a boat belonging to the Railway Department, the Durley Chine, may be sent to the West Indies to help relieve the congestion. I shall be glad to make inquiry and to communicate such information as I may obtain to my right hon. friend.

INTERCOLONIAL RAILWAY—ALLEGED EXPROPRIATION OF COAL.

On the Orders of the Day:

Hon. J. D. REID (Acting Minister of Railways): I wish to refer to a statement made by the hon. member for Pictou (Mr. Macdonald) on the 10th instant, when I was absent from the House. He said:

Coal consigned by the coal companies to industries some of them engaged in the manufacture of munitions, has been expropriated by the Intercolonial railway, and the information I have by telegram is that the taking of this coal is resulting in the stoppage of these industries.

When my attention was called to this, I telegraphed the manager at Moncton, and received a reply stating that the hon. mem-

ber's information was wrong, and that no coal had been expropriated by the Intercolonial.

PERSONAL EXPLANATION.

On the Orders of the Day:

Right Hon. Sir ROBERT BORDEN (Prime Minister): I rise in order to make a personal explanation. In the course of the debate the other evening, I used this language:

> And when he suggests there was an alternative proposition from the other side of the House in amendment to the Government measure, he conveniently forgets that the amendment proposed to postpone any action whatever until after a general election should be held in Canada.
>
> Mr. Pugsley: I do not think I proposed that, nor that any one else proposed it.
>
> Sir Robert Borden: Does not the hon. member remember the terms of the amendment?
>
> Mr. Pugsley: I do not think that was in it.
>
> Sir Robert Borden: He may not think so, but that does not alter the fact that it was in it. His memory is not so good on this as on some other points. I have a distinct recollection that the proposals offered by hon. gentlemen opposite involved the postponement of action until after the general election.

My hon. friend from Pictou (Mr. E. M. Macdonald), at a later stage in the debate, expressed surprise that I should have made the statement to which I have alluded; and he read the amendment which was offered by my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) on the 12th day of December. I should like to say, in explanation and support of my assertion, that on the 13th of February, 1913, as reported at page 3103 of Hansard, the hon. member for Maisonneuve (Mr. Verville) moved a sub-amendment in these words:

> That the following words be added at the end thereof: "and the consent of Parliament should not be given to this resolution until it has been submitted to and received the approval of the electors."

That amendment was undoubtedly accepted by my hon. friends on the other side of the House because when it was voted upon on the 13th of February, as is recorded at page 3239 of Hansard, the right hon. leader of the Opposition and all his supporters either voted for or were paired in favour of that sub-amendment. Then, at a later date, on the 18th day of February, as reported at page 3482 of Hansard, 1913, the hon. member for Assiniboia (Mr. Turriff), upon the second reading of the Bill, moved the following amendment:

> That the said Bill be not now read a second time, but that it be resolved:
>
> That it is the constitutional duty of the Government, under the terms of the British North America Act, immediately to introduce a measure for the readjustment of the representation of the provinces in the House of Commons, according to the population of the said provinces as established by the census of 1911, and that this House do not proceed further with the Bill until such readjustment has taken place, and the people have been duly consulted on the said Bill.

The leader of the Opposition and his followers voted also for that amendment. To give a perfectly correct statement of the record, I should, in fairness, say that my right hon. friend the leader of the Opposition and those who supported him voted also for the resolution proposed by my hon. friend on the 12th day of December, although they had previously voted for the amendment of the hon. member for Assiniboia. It is an absolute fact that they voted for the sub-amendment and for the amendment on the same day, the one proposing to postpone any action until after the people had been consulted and the other proposing immediate action. Hon. gentlemen on the other side supported by their votes both these propositions. And then, further, I find also that when the Bill reached the Senate, Sir George Ross, the Liberal leader in the Senate, moved the following amendment, which was carried by a vote of 51 to 27:

> This House is not justified in giving its assent to this Bill until it is submitted to the judgment of the people.

Sir WILFRID LAURIER: That was not an alternative policy, but, having failed in one thing, try something else.

Sir ROBERT BORDEN: The policy of my right hon. friend succeeded very well, because his amendment carried in the Senate and the Bill was defeated on that ground. I am giving it as an illustration of the proposals to which I alluded in my reply to the hon. member for St. John.

VICKERS-MAXIM WORKS, MONTREAL—LABOUR TROUBLES.

On the Orders of the Day:

Mr. VERVILLE: I wish to call the attention of the Government to the fact that there will be a great meeting of protest on Friday next respecting the strike at the Vickers-Maxim Works in Montreal; and if the Government does not do something I would not be surprised if there were a general strike there.

Sir WILFRID LAURIER: Is there no reply to my hon. friend?

Sir ROBERT BORDEN: The Minister of Labour informs me that he has given a great deal of attention to an endeavour to bring matters to a more favourable situation in respect of the labour conditions in Montreal. He informs me that a meeting was held on Monday last between some members of the Government, the mayor of the city, and some of the labour representatives. It was believed at that time that the differences which existed were in a fair way of being settled. The Government will, of course, give its attention to the suggestion which my hon. friend has put before us, and to the view which he has expressed as to the danger of the strike extending, if these differences are not removed.

Mr. DOHERTY: I had the pleasure of being present at the meeting to which the Prime Minister has referred. At that meeting the workmen were represented, and likewise the employers. There were present His Worship the Mayor of Montreal, the hon. Minister of Inland Revenue, and myself. Different suggestions were made, and when we parted I was under the impression that there was every reason to believe that an understanding would be come to. A few moments before the hon. member (Mr. Verville) rose to ask his question, I was shown a telegram very much to the effect which he stated. I have been in communication with some of the gentlemen connected with the Vickers establishment, trying to impress upon them the suggestions made at our meeting, and I had in mind to suggest to the Minister of Labour that he call their attention to what has been said, with the view of doing anything it may be possible to do to meet the situation.

CUSTOMS TAXATION.

On motion of Sir Thomas White (Minister of Finance) the House went into Committee of Ways and Means, Mr. Rhodes in the Chair.

1. Resolved, that it is expedient to amend Schedule A to the Customs Tariff, 1907, and to strike thereout tariff items 92 and 267, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of the said items, and to provide that the following items, enumerations and rates of duties be inserted in said Schedule A:

Tariff Items.	——	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
92	Apples, per barrel	60 cents.	90 cents.	90 cents.
267	Oils, petroleum (not including crude petroleum imported to be refined or illuminating or lubricating oils), ·8235 specific gravity or heavier at 60 degrees temperature, per gallon	⅓ cent.	½ cent.	½ cent.
267a	Crude petroleum in its natural state, ·7900 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories	5 p. c.	7½ p. c.	7½ p. c.

Provided, however, that the goods hereinbefore enumerated shall be exempt from the rates of duties of customs specified in section 3 of the Customs Tariff War Revenue Act, 1915.

Sir WILFRID LAURIER: Are you taking up the amended resolutions?

Sir THOMAS WHITE: No, I propose that we take up the resolutions relating to the tariff, namely the duty upon apples and upon fuel oil. Tariff item 92, which it is proposed to strike out, provides a tariff of 25 cents, British preferential tariff; 35 cents intermediate tariff, and 40 cents general tariff per barrel of apples. There has also been a special customs tariff under the War Revenue Act of 1915 which amounts to 5 per cent British preferential; and 7½ per cent each in the intermediate and general tariff; that is an ad valorem duty. The new rate is 60 cents per barrel, British preferential, and 90 cents in the intermediate and general tariffs.

Mr. MICHAEL CLARK: Before this duty passes, I would like to say a word or two. I have not troubled my hon. friend (Sir Thomas White) much this year. An unrepentant free trader could not pretend to be altogether dissatisfied with a Budget in regard to which the Minister of Finance and the financial critic of the Opposition are contending with one another as to the best form of direct taxation to impose. That is

a condition of affairs which is eminently satisfactory to one who has been preaching that doctrine in this House for many years. But I do not know why the Minister of Finance, when he was making so courageous and so noble a departure, from my point of view, should not have made it whole-heartedly. Nobody knows better than he that he should not have introduced this duty on apples. He told us last year that the customs tariff was the mainstay of the Finance Minister in the course of twelve months he has managed either to lose or to break his mainstay pretty badly. I wish he had thrown the old thing away altogether, and not bothered the people of the prairie with this trifling miserable little duty on apples. I do not know why he did it; perhaps he will favour me personally with the information. It is a very miserable little duty, Mr. Chairman, in a Budget that has many good points about it, and it is such a splendid concrete example of the general evils of protection that I feel I am entitled to take up the time of the committee for a minute or two about it.

Speaking on another subject the other day, the Minister of Finance said he was inclined to look at free wheat from the national standpoint. That was a very good sentiment coming from the Minister of Finance of a party who on tariff matters profess always to hold a policy which they call national. How can he defend this tariff on apples from the point of view of a national policy? He did not attempt to do so. The Minister, in his Budget statement, said this is done specifically to help a given industry in a certain province, so that, so far from having anything national about it, it bears the earmark of class, provincialism, or any other word that constitutes narrowness and opposition to what is in the national interest. It sets the province of British Columbia, if my hon. friend likes to look at it in that way, against the Prairie Provinces; and coming from the Prairie Provinces I should not be true to the best interests of the nation, which are represented very largely in those provinces, if I did not make an emphatic protest to my hon. friend. Why should he put another burden on the Prairie Provinces this year? What have they done? I know that two of the provinces are very Liberal in their complexion, but surely that would never actuate my hon. friend. I know something else about all the Prairie Provinces; I know that the people inhabit a part of Canada which perhaps needs fruit more than any other part of the Dominion. They suffer from the cold climate of Canada's winter in such a way that fruit is an absolute necessity of their existence, and very essential to their health and to their prosperity. Does my hon. friend say he is helping the nation in hurting the health of the sturdy farmers who have given you a crop this year upon which the prosperity of the whole nation depends? I am very much in earnest about this thing, and I hope my hon. friend will listen to me, because I think that before I have finished I shall have pretty nearly moved his distaff or mainstay or whatever he calls it. My hon. friend is a good-hearted man; I know that. He cannot have any internal spite against the people of the prairies. But does he ever think seriatim of the things he has done and is doing to those people? He took an hour and forty minutes to speak against their being allowed to sell their wheat where they want to sell it; and last year he put on a tariff that fell very largely upon those people. Now he comes along, and, after doing his best to prevent them from making money by selling their wheat, he tries to take a portion of the little money they do get for the apple growers of British Columbia. Is it fair or decent to the people of those provinces? I recall to my hon. friend's attention a statement in which we have the true national outlook of a man of vast financial responsibility, who understands this country very well, and who represents West Toronto. At the beginning of last year he said: "Everything in Canada this year depends upon this year's crop." Yet, when Canada depends so much upon those men on the prairies, why should these successive burdens be placed upon them? Pharoah was not in it for a cruel heart with my hon. friend. He set the Israelites to make bricks without straw, but my hon. friend wants the prairie farmers to pay high rates for their apples without selling their wheat. He is a modern Pharoah, and I am ashamed of him, much as I think of him in a great many ways, as I may tell him before I sit down. There is no end to the injustice he is going to mete out to the people of the prairies if I do not get him checked in some way or another. It is a positive sin against the health of the people, and nobody can say that a sin against the health of the people is a very good feature of a national policy. There is nothing national about it; it is very local indeed. It is much more local even than setting up British Columbia against the prairie provinces. It is much worse than

that because the great majority of the people of British Columbia are not apple producers; they are apple consumers. The people of Vancouver do not grow any apples, not at all events on the streets that I saw when I was there. You have 100,000 people in Vancouver who are consumers of apples, so that my hon. friend, in pursuance of this broad national policy that he has produced, is not only setting a portion of British Columbia against the Prairie Provinces, but he is putting a very small portion of British Columbia against the rest of the province. I would like my hon. friend either to give up this or give up professing that he is following the National Policy in tariff changes. The people of Vancouver and Victoria are just as important as the people who produce apples. In regard to the prairies, we find our market for beef to some extent in British Columbia, but we in Alberta do not ask my hon. friend to protect us in the raising of beef. We should be ashamed to do it. I do not care where you bring beef from to compete with the steers that we are raising in Alberta, they would never be looked at, they would never get across the line. But why should my hon. friend penalize the men who are raising beef in Alberta? Our beef speaks for itself; why does he not make his apple producing friends produce fruit that would speak for itself?

I have no objection to the men who raise apples, but I have an objection to their economic policy, and I want to point out to my hon. friend that in helping this industry he is following a very false line of economic policy. Does he not know—I am sure he does, because his knowledge is encyclopædic—that these gentlemen whom he now seeks to protect paid far too much for their land in British Columbia? He is going to help out these people with their dear lands. A great many of them are not apple growers at all; I am sorry to say it, but in British Columbia there are a great many of my own fellow countrymen, and there is nobody so keen to take advantage of another Englishman as an Englishman who has been in the country for two or three years and who is holding land until he can get some other Englishman to come out and give him more than he paid for it himself. I would be sorry to say that about the apple growers of British Columbia as a whole. All I want them to do is to raise apples on the same principle that we raise beef in Alberta,and that the grain farmers raise wheat in the other provinces.

I remember that the Minister of Trade and Commerce last year, when tariff taxes were being objected to as bearing too heavily upon the farmers of the West, said that he felt quite sure that the farmers of the West would bear their proper share of the war expenses. I wonder if I could not place similar confidence in the raisers of apples, because there are two sides to the loyalty business. The Minister of Trade and Commerce was appealing to the farmers of the plains very broadly, and indirectly, and he was putting it in a very complimentary fashion when he sai : I am quite sure that the farmers are such good patriots that they will stand by these impositions for the sake of the Empire and pay them gladly. But that has two sides to it. Some people's loyalty consists in asking the other fellow to pay, and that is the kind of loyalty I do not believe very much in. I do not think there is much loyalty on the part of those men who raise apples and who say to me that I have to be loyal enough to pay them more for their apples in time of war than I pay in time of peace. I have not much use for the loyalty that consists mainly in putting such a sacrifice on other people.

Talking of one portion of British Columbia being supported at the expense of the great consuming portions of that province brings me to make an inquiry that I would much rather not have to make. I have always had the very greatest regard for my hon. friend the Minister of Finance. He knows it; his psychology has been a continual and interesting study to me, and there is not a man who has taken more pleasure in observing that the Crown very rightly, as I think, has recognized his very great abilities by giving him a well-earned knighthood. I have the highest appreciation of my hon. friend, and I was delighted when this honour was paid him. We have all been pleased to see the rapidity with which he has fallen into the ways of this House, and the certainty with which he has advanced in the ranks of statesmanship after having been picked up just a little precariously at the last election. Having this great regard for him, I am just a little sorry that he should have stooped to this miserable piece of politics, or tariff legislation—economics he rather likes to call it. I would suppose he would like to pass it off as good economics, but if he is going to do that I wish he would tell me what he is going to get from it because the farmers of the plains will want to know what revenue he is getting from it. If the

revenue does not justify it, he will have difficulty in justifying it on the ground that he is going to help these men who have given far too much for their land. I am not at all sure that my hon. friend was not actuated by a motive that I would rather he should not have been influenced by in introducing this legislation. I am not at all sure that he was so much concerned about the troubles of the apple growers when he introduced this legislation as he was about the troubles in the local administration of British Columbia. I am very suspicious upon that point. If that was his motive, I am bound to say that the charge of shortsightedness which I brought against some of his tariff legislation last year has much more justification even in regard to this legislation because in regard to this he has been extraordinarily shortsighted. He did not see that Victoria and Vancouver people could not possibly take any interest in the raising of the prices of apples except to resist it. He should have seen it because these were places where his apple tariff was going to have the very first chance of producing political effects. They produced effects beyond anything which was looked for by the hon. gentleman. But my hon. friend confusing his economics in that way, I cannot help saying that I can hardly be sorry for him. What he wants to recognize in dealing with economic questions is that they must be put upon a broad principle and the broad principle in regard to production in Canada is that it is not necessary to produce apples at all. What is necessary is that we should eat them. There is nothing in producing apples. My hon. friend, on general principles, goes too far in regard to production. Production is not the great thing that we want in this country; consumption is the great thing. If you undertake to consume plenty you will produce plenty. A man who does not produce anything gets no wages and his consumption is pretty low. If you look after the consumption of a thing you will never need to be afraid of the production. Consume plenty and production will go on. That is the principle that my hon friend should have gone upon. He has a great sense of humour. If he had not had this sense of humour he would have rejected this course as suicidal because he would never have gone into this thing at all for the purpose of restoring the falling fortunes of Sir Richard McBride. We have read in our Shakespeare of another Richard exclaiming under rather hard stress of circumstances: A horse, a horse; my kingdom for a horse. That Richard, unfortunately, did not get a horse. This Richard did not get a horse but he got a ship and fled from the scene. My hon. friend comes to his rescue a little late and says: There is a little duty on apples for you. I do not think it will do much for Mr. Bowser either. I want to warn my hon. friend solemnly against ward-heeling economics of that kind, for the future of his reputation as Finance Minister of this country. This duty was a paltry miserable duty to bring in at this time, and one which cannot be justified on any sound ground whatsoever. In another speech the other day my hon. friend said that he and the rest of us were looking forward to different things after the war. I am quite sure things will be different, but I do not think that on this question of tariff and economics, things will be different in the sense in which my hon. friend is looking for them to be different. War is the greatest of human re-actions; this is the greatest of all wars; and I personally would die of despair if I did not think that the rebound of the wave towards progress will be the greatest the world has ever seen. And progress is not achieved by going further along the lines of tariff legislation. I cannot help thinking that Providence has taken a very apt pupil in hand in my hon. friend the Minister of Finance, and he took him and the rest of us in hand in rather a vigorous manner when he burned down the old Parliament building. He sent the Minister of Finance down to the Museum here for a special purpose, I am quite sure; and the special purpose I would commend to him is that he should look for progress after the war, and he could not help that progress in any better way than by finding the fossil remains in this building, and putting as much tariff in that part of the building as he possibly can, and leaving it there when he and the rest of us are spared leave here for the new Parliament building. Meanwhile, I would not wait till we make the shift, but I would advise him to find out where the fossil remains are and put this little apple duty among them before it ever has an existence.

Sir THOMAS WHITE: My hon. friend from Red Deer (Mr. Michael Clark) has been so complimentary in his remarks towards myself that he disarms antagonism, even political antagonism. He and I are good friends, and I know we should con-

tinue to be so. My hon. friend has spoken of fossils, and it is curious that while he was speaking I should have been thinking of our being housed in this museum. I was throwing my mind forward to the period after the war in which, along with the other changes that will have taken place, my hon. friend from Red Deer will either have reformed or be one of the few remaining free-traders, in which latter case the museum might be an appropriate place to house him as a specimen of an extinct race of economists. All that is quite within the limits of the possibilities of this war. The trouble with my hon. friend is that he got started wrong; he was caught young, and he has never got over it. He can see no good whatever in protection. Well, I look forward to the conversion of my hon. friend. He has spoken of himself as an unrepentant sinner, but some of the greatest sinners in the world have been converted.

Mr. MICHAEL CLARK: I said an unrepentant free-trader.

Sir THOMAS WHITE: And the conversion of a hardened sinner is usually sudden and frequently lasting. I recall the case of John Bunyan, and of Saul of Tarsus, who was converted when a great light suddenly burst on him on his way to Damascus. When this war is over and my hon. friend sees what free trade has meant as between Great Britain and Germany, and realizes the advantages of a self-contained country and a self-contained Empire, I should not be surprised if almost as great a light bursts on him as fell on Saul of Tarsus on his way to Damascus. And I look forward to most eloquent speeches from him, in this House, if he should be here, in favour of protection as the true economic policy of this country.

My hon. friend has spoken of the National Policy, and has asked what relation this duty on apples has to the National Policy. Well, it seems to me that the basic and most important industry in Canada to-day is agriculture. A part of agriculture is the growing of apples, and it does seem to me that it would be a most desirable thing if Canada should, as she undoubtedly can, not only raise all the apples required for the people of this country, but have a large surplus over for export. There is no reason in the world why Canada should not raise all the apples consumed in this country. It is simply a matter of distribution.

[Sir Thomas White.]

Before I come to the matter in hand, my hon. friend from Red Deer repeated a remark I made last year, that the tariff was the mainstay of revenue. That is quite correct. I should like to see my hon. friend as Minister of Finance endeavouring by any other means to provide the amount of money that we require to meet our expenditures and increased interest charges due to this war.

Mr. McCRANEY: Is the proposed increase in the duty on apples for the purpose of revenue or to protect the farmers of British Columbia?

Sir THOMAS WHITE: As stated in my remarks on the Budget, this duty is in my view indispensably necessary for the safeguarding of the apple industry of Canada, and particularly of British Columbia. It is frankly for that purpose. My hon. friend spoke of loyalty, and he was rather unhappy in his remarks because it chances that no district in Canada has evinced its loyalty in more striking fashion than the fruit growing district of British Columbia.

Mr. MICHAEL CLARK: Is my hon. friend quite fair? I was talking purely of loyalty to taxation. The last remark I would wish to make is that one section of the country is giving more soldiers than another; we had better leave that out. My hon. friend will admit that I have never indulged in talk of that kind at any time.

Sir THOMAS WHITE: My hon. friend did not make it quite clear in his remarks to what he was referring when he spoke of loyalty. However, I accept his explanation.

Coming to the matter in hand, there is a very extraordinary situation in British Columbia. I deprecate very much the references made by one or two hon gentlemen opposite to the British Columbia political situation, a question to which this duty on apples has absolutely no relationship whatever. The question of raising the duty on apples has been before my department for not less than three years. Every year there have been deputations, and the fruit-growers of British Columbia have made the strongest kind of representations as to the serious situation that exists there, and have asked for some kind of relief. So no question possibly arises as to this duty on apples being connected with the British Columbia political situation. The Government have acted with no haste in the matter. Representations have been made to us for the last two or three years, and we finally came to the conclusion that unless some kind of tariff were granted—

Mr. A. K. MACLEAN: What were the representations made by the delegations from British Columbia in regard to the apple industry?

Sir THOMAS WHITE: The British Columbia fruit grower is in competition with an abnormal condition of affairs that exists in the states of Washington, Oregon and Idaho. In these states there has been a very great over-production, and my hon. friend knows that, with the planting that has been going on for the last few years, over-production is likely to greatly increase in the future. The fact of the matter is that apples produced in these states have been selling on the American side as well as in Canada at much less than the cost of production.

Mr. A. K. MACLEAN: What is the quantity of British Columbia's export of apples in carloads?

Sir THOMAS WHITE: I have not that before me, but I desire to read, as showing the situation existing in the fruit growing industry, an extract from the report of Mr. D. Johnson, fruit commissioner, Ottawa:

> It has been shown at the Experimental Station that it costs $1.08 per box, equal to $3.24 per barrel, to produce apples in British Columbia, yet the average price (f.o.b.) obtained for this fruit in 1914 was 80½ cents per box, equal to $2.41 per barrel.

And here is an extract from the report of Mr. A. H. Flack, chief fruit inspector for the Dominion, one of the most able and conscientious officers of the Department of Agriculture:

> Many Washington growers are unable to continue with the low prices realized for their fruit. Foreclosures, I was informed, were quite common. It has often been asked me, "How is it that the Washington growers can sell so cheaply and make money and the British Columbia growers cannot?" My observations were that the Washington grower is not making money and cannot survive the low prices. The British Columbia situation reminds me of a merchant endeavouring to compete with a bankrupt stock.

It is a fact that cannot be controverted, that the British Columbia fruit grower has been competing with a situation in which apples have been sold below the cost of production. British Columbia is a community geographically cut off by the Rocky Mountains.

Mr. TURRIFF: Is it not true of every apple-growing country that many apples are sold at less than the cost of production?

Sir THOMAS WHITE: That may be true. But in British Columbia this has been a standing condition for a considerable time past, and such a condition has been reached that unless this tariff measure is granted the consequence for the British Columbia fruit-growing industry will be most serious. Apart from British Columbia, it is to be remembered that two years ago we had in Canada a condition in which it was almost impossible to dispose of the apple crop. It looked as if apples were to be left to rot under the trees. The Minister of Trade and Commerce embarked upon a campaign and assisted in relieving the situation. All the signs point to a large increase in the apple crop for this year, and, for that matter, for many years to come, on account largely of the extensive planting that has taken place in recent years. It comes down to this: Is there any reason why the Canadian fruit grower—not confining the argument to British Columbia, but taking the fruit industry from the Atlantic to the Pacific—should not be given the benfit of the Canadian market? It does not necessarily mean that the price of this fruit will go up; it means that the Canadian grower will have a better opportunity in his own market, and that, I believe, is the true national policy.

Mr. A. K. MACLEAN: What is the good of it if it will not put the price up?

Sir THOMAS WHITE: Then the hon. gentleman's argument is that no matter how high the tariff may be, even if prohibitive, foreign goods will still come in?

Mr. MACLEAN: Not necessarily.

Sir THOMAS WHITE: My argument is, that with this increase in the duty, the Canadian market will be reserved more for the Canadian grower. It does not necessarily mean--

Mr. MACLEAN: The hon. gentleman is getting away from the point, and I want to hold him to it. He tells us that the British Columbia apple producer is engaged in a losing industry because he cannot obtain a price which will yield him a profit. The hon. gentleman proposes to improve that condition by increasing the duty. But how will the increase in the duty improve the situation, unless it enables the producer to get a bigger price. And how can he get a bigger price unless he gets it from the Canadian producer?

Sir THOMAS WHITE: The greater market for his product in Canada.

Mr. MACLEAN: We only imported 269,000 barrels of apples last year in all Canada; that would not help very much.

Sir THOMAS WHITE: The British Columbia fruit-growing district is not a very large one, but it is a very important and growing section in British Columbia, and the effect of this, we hope, will be to give them a larger market in Canada for their product.

Mr. MACLEAN: What does their yearly production amount to?

Sir THOMAS WHITE: The British Columbia yield in boxes has been as follows:

	Boxes.
1910	210,000
1911	250,000
1912	430,000
1913	477,000
1914	685,000
1915	787,750

My hon. friend will observe that the production in 1915 was nearly four times as much as in 1910.

Mr. TURRIFF: Were they not doing well enough?

Sir THOMAS WHITE: No, they were not doing well enough; they have not been doing well at all. As I say, unless this tariff change is introduced, the future of the British Columbia fruit-growing industry is of a most precarious character. I do not believe that any hon. gentleman would like to see an important section of the community most seriously affected by a condition of affairs that can be remedied by legislative action in this House, and such action not taken.

Mr. A. K. MACLEAN: There might be some other way.

Sir THOMAS WHITE: I would be glad to have suggestions as to a way. I do not know of any other way to assist the situation.

Mr. MACLEAN: The Minister of Trade and Commerce (Sir George Foster) promised a couple of years ago to find a market in Australia.

Mr. KNOWLES: The position of affairs, as I understand it, is one of only this year.

Sir THOMAS WHITE: No.

Mr. KNOWLES: I thought the first excuse given was that the condition of affairs is serious because of the great over-production in the United States. But the minister says that that is not correct, that this is a permanent tariff that he hopes to have remain as long as he is in power. He says that is correct?

Sir THOMAS WHITE: I make no statement as to how long a tariff condition will continue; it would be most improper to do so.

Mr. KNOWLES: Rightly or wrongly I had the impression, either from what was said in the Budget or from some other reliable source, that it was on account of the condition of affairs this year—a great overproduction in Washington, Oregon and Idaho—that this action was necessary. If I am incorrect in that—

Sir THOMAS WHITE: It has been for the last three years.

Mr. KNOWLES: Therefore, the thing is more serious than we thought. The seriousness of it has been growing, and we shall be lucky if it does not get worse. It is remarkable that under this adverse condition of affairs the apple industry of British Columbia in four years multiplied itself by four. Our contribution on the prairies to encourage an infant industry may be made in a spirit of charity, but I will be dashed if we want to help people who quadruple their wealth in four years —we are not doing that well ourselves. I have not heard the minister say: We will take something out of other parts of Canada and give it to the poor homesteaders in Saskatchewan, because they are not increasing their wealth 100 per cent every year. But if you apply that principle to British Columbia, why not apply it to Saskatchewan as well? My view of this whole protection business—I do not know whether any one cares about it or not; I do not know whether it is worth five cents or not—is that if this Parliament wants to make pets and favourites of the apple growers of British Columbia, it ought to be done at the expense of the people of Canada, not at the expense of Saskatchewan and Alberta only. If the minister wants to help the apple growers of British Columbia, why does he not vote some money, fifty cents a barrel if he likes, check it up carefully and pay it out to these people? Let the people in the Annapolis valley pay a share of it; let the people of Quebec pay a share of it; let the whole people of Canada pay a share of it. That would be

more like a national policy; that would be putting the expense upon the nation as a whole, instead of piling it all on the Saskatchewan and Alberta prairies. These prairie districts are a mark, not a market.

Sir THOMAS WHITE: Was there any tariff on apples during the tenure of office of the late Government, of which my hon. friend was so ardent a supporter? If so, what does my hon. friend say about that?

Mr. KNOWLES: I am afraid there was a tariff.

Some hon. MEMBERS: Oh, oh.

Mr. KNOWLES: Since the minister has raised that point, I may say what I said in this House eight or ten years ago; I support the Liberal party not because of their tariff, but in spite of it. There is nothing on which my mind is clearer than on this point: in the interests of my people, in the interests of the Dominion of Canada, as between the two parties in this country I shall continue to support the Liberal party.

Mr. MEIGHEN: Did not my hon. friend, when in opposition support a tariff policy? Did he not frequently say from his place in Parliament that a tariff policy was right?

Mr. KNOWLES: I do not recollect that.

Mr. MEIGHEN: What about farm implements?

Mr. KNOWLES: I repeat that as between the two parties I would not do anything to put the high protection party in power, and to put the Liberal moderate tariff party out. But if there were a real, genuine free trade party in this House, I would have to support that free trade policy. No person by any political knavery or fakirism or anything of that kind, can convince me that I ought to support the greater of two evils—because I look on tariffs altogether as an evil. I am just as clear on this point before my constituents as I am in this House. The people of the Prairie Provinces would be very foolish if of the two parties they did not support the Liberal party at this juncture. Let us take this case as a case in point. It is not a large matter; it is a little measly matter, as measly as some of the apples that come from British Columbia. This duty on apples is the thin end of the wedge. Hon. gentlemen opposite want to see how the people of the Prairie Provinces will stand a little touching up along the line of duties. Perhaps another tariff commission will be suggested to us before long. In his speech the other day the Solicitor General said: "How could we give you an open market for wheat? If we give you an open market, the first thing we know you will want free trade in something else; one thing will lead to another, and it may come to the point that the protection business will be knocked on the head." The hon. gentleman said in effect: "We cannot give you an open market, because if you get a taste for it, you will be anxious for more." The hon. gentleman did not use these words, but that is what he meant. This matter of a duty on apples is not a large matter, but it is all the meaner and all the more unfortunate that this miserable, measly, picayune, small business should come from the Minister of Finance at a time when people ought to be great and big in financial matters. I do not think any one cares a great deal about the money part of it, because the amount involved is not very large; it is the principle of the thing that we object to. Why put it all on the people of Saskatchewan and Alberta? If you want to encourage the apple growing industry, why not do so by providing better storage facilities? Why not assist the industry at the expense of the federal treasury? Surely hon. gentlemen could do something that would make it advantageous for our people to buy British Columbia apples. Surely the brains of the Government could devise some means by which the industry could be encouraged if hon. gentlemen want to encourage it. I think there is a great deal in what the hon. member for Red Deer said: that a great deal of the trouble comes from the fact that these lands in British Columbia are held at such outrageously high prices. The Creator intended that these lumber fields and fruit gardens should be used by the people, but they have got into the hands of speculators Favourites of the McBride Government got them as pap, and they have so shuffled them that a grant of land which they got for practically nothing, after changing hands a few times, was worth millions of dollars. Then the people of the Prairie Provinces are told: You have got to pay a price for your lumber which will pay interest on the absurd capitalization of the timber limits; you must pay a price on your fruit which will cover the interest on the absurd capitalization of the British Columbia fruit fields. The minis-

ter has remarked that this duty will not increase the cost of apples. Even after having been subject to the sobering influence of the last year or so since the war commenced, the minister could not help laughing when he made that statement. To say that it will not make higher prices to the apple growers is a joke—a pretty serious joke, because of the principle that is involved in it. The Minister of Finance is a great statesman in some respects, but even great statesmen sometimes make childish statements, and I think the statement that this duty will not mean larger prices to the people who raise apples is one which is unworthy of the man who fills the position of Finance Minister of Canada. I hope that the minister will rise in his place and withdraw that statement.

Mr. SUTHERLAND: I have followed this discussion so far with considerable interest and some amusement. One would almost infer from the remarks which have been made with regard to the proposed duty on apples that Canada was a rather small country in which apple growing was confined to a very small area, and that this duty is really going to affect only the people of the prairie provinces. I protest against any assertion of that kind. I would like to remind the House that this duty has been asked for, not only by the people of British Columbia, but by the people of other provinces as well.

Mr. MICHAEL CLARK: May I point out that the hon. minister, in his Budget speech, said the exact opposite of what my hon. friend says? He used the words "especially British Columbia;" therefore our criticism is directed against the statement of the minister.

Mr. SUTHERLAND: I am dealing with the arguments advanced in committee this afternoon; I trust that the hon. gentleman will grant me the privilege of confining my remarks to those arguments. This has been a very live question in Canada for quite a number of years; the situation has not been more acute during the past year than it was for many years previous. Any one who has followed the fruit-growing industry in the Dominion of Canada will readily understand that the past year was not the worst year in the history of our country so far as the importation of American fruit is concerned.

But we do know that there is in the United States a combine among the wholesale fruit dealers which practically forces the retailers in Canada to take so much of the American apples and similar fruit, that we can very well grow in this country, whether they want to or not, if they are to receive a supply of such fruit as oranges which we do not produce. It is nothing new to the people of this country to see the fruit stores in our large cities at this time of the year practically filled with fruits from the western United States, Oregon, and Washington territory. The importations in the last five years have been very large. In 1911, they were 150,000 barrels; in 1912, 195,000 barrels; in 1913, 320,000 barrels; in 1914, 331,700 barrels, and in 1915, 269,000 barrels. Thus we did not suffer so very much from American importations in the past year as in the two previous years. British Columbia undoubtedly has great prospects, there is a great future in store for it as a fruit producing country; but in the province of Ontario there are even greater posibilities for the growing of fruit than in any other province. These possibilities have been overlooked, but we find at present there is at least $50,000,000 invested in apple orchards in Ontario, which is more than double the amount in any other province. This question is quite a live issue in Ontario. If we are ever going to make of Canada a great nation, we have got to give and take a little among ourselves. Some parts of Canada may not be adapted to a certain industry while other parts are, and if we are going to build up and develop these parts that possibly have advantages, then we must suitably regulate our tariff. The hon. member for Moosejaw (Mr. Knowles) could not but hark back to the wheat question this afternoon, and it is only a few days since I heard hon. gentlemen opposite admit that the wheat from western Canada commands from 7 to 8 cents more on the Liverpool market by reason of the fact that it retains its own identity. That is surely something to be proud of. If you attend the meetings of the apple-growers associations in the city of Chicago, where they have the greatest exhibit of fruit that is to be found in the world, you will invariably find that the quality of the apples grown in Canada is better than that of those grown in the United States.

Mr. TURRIFF: Then why so much duty?

Mr. SUTHERLAND: It is true that the American apple has a better appearance. The apples grown in Oregon and Washington territory, with their dry climate, develop a beautiful colour; they have a wax-

like appearance, but they have not the quality of the Canadian apple. That is evident to every one. A few years ago, when the Festival of Empire exhibition was going on in London, the apples selected for exhibition by the Department of Agriculture of Canada were not grown in British Columbia, or in the Annapolis valley, but in a section of Ontario that a few years ago was shown on the map as being outside of the apple-growing district, in the inland counties of Western Ontario; the apples which were shown were selected by the Government of hon. gentlemen opposite from apples grown in the county of Oxford, from which I come. The apple growing industry in Canada is practically in its infancy, and under proper conditions there are great possibilities for its development. It will frequently be found that the Americans are dumping their surplus stock into Canada at times when, in order to keep up the market at home, they can afford to dispose of their surplus in this country at a low rate to the injury of our fruit growers. If you are going to have a stable industry you cannot permit it to be subjected to competition of that kind, and I say the Government are entitled to a great deal of credit for having placed this item in the tariff at this time in order to enable that great industry to be developed as it ought to be. It will redound to the credit of this Government in years to come, and I am satisfied the people of Western Canada are not going to suffer as a result of the increase in the tariff. They will be purchasing apples from the people of British Columbia, and of Ontario, and of the Maritime Provinces, and the people in those provinces will be purchasing from them many things that they will be able to raise; a reciprocal trade will be carried on between the various provinces, which will be much better than a trade carried on with people who are prepared to take every possible advantage in dealing with us. That question was settled, and settled for all time, in 1911. The people of Canada spoke at that time and stated emphatically where they stood with regard to any arrangement of that kind. It is simply a waste of time for us to hark back to anything of that nature to-day because we may as well face the issue fairly and squarely, as I am satisfied for one that if there is any part of Canada that feels there is not a sufficient area in Canada to grow enough fruit for the people of Canada, they are making a great mistake. We are an exporting people as far as apples are concerned.

Mr. A. K. MACLEAN: Nobody would deny that. There is no necessity of the hon. member making an argument that we can produce sufficient apples for our own consumption, because we do that to-day and much more; we export. The question is, where are you going to get the market?

Mr. SUTHERLAND: Yes, we export to-day, and so do the Americans, by reason of the conditions that exist, they are prepared to unload their surplus stock on Canada in order to reduce that stock—

Mr. MACLEAN: Only 200,000 barrels.

Mr. SUTHERLAND: It was 269,000 barrels last year, 331,000 the year before, and 320,000 the year before that. This is not a small amount to be coming in each year under those conditions, and when you see in our large cities in Ontario, such as Toronto, that the fruit stores are largely supplied with American apples, then I say there is something wrong and it is time for the Government to take some action with regard to the matter.

Mr. DOUGLAS: Will the hon. gentleman explain just why Canadians buy Oregon apples to-day?

Mr. SUTHERLAND: I thought I made that quite clear, it is not a matter of to-day but a matter of years.

Mr. DOUGLAS: Is it a matter of price?

Mr. SUTHERLAND: Apples have been sold in Ontario much lower than in United States for years past. Just for the very reason that the Apple Growers' Association in the United States are bound to get rid of their surplus stock in some way in order to keep up the prices in their own markets.

Mr. GREEN: The question of national policy and national preference is no new question in this House. The principle has been in operation for many years past. During that time the various Ministers of Finance who have had tariff matters to regulate have tried from time to time to make the burdens bear equitably upon the whole people of Canada, and at the same time protect certain manufacturers and certain industries that needed protection in this Dominion. When hon. members opposite saw fit to attempt to find in the British Columbia provincial by-elections the reason for the Finance Minister dealing with this question at this particular time, they were very

unfair, and had no knowledge apparently of the facts. Delegation after delegation has come to the Capital city during the last four or five years, not only from British Columbia, but from the other fruit-growing districts in Canada, and have sought to have a duty placed upon apples that would enable them to supply our own markets. At this particular time in the history of the Dominion, a delegation from British Columbia arrived, and again pressed the claims of the apple-growers of Canada upon the attention of the Minister of Finance. They pointed out that, so far as British Columbia was concerned, we were not a manufacturing country. We were being taxed under a tariff for almost everything that we used. The few things that we could supply to the balance of Canada were not in the happy position of being sufficiently protected to enable us to retain that market.

The question has been asked this afternoon as to how we are going to keep this market without materially increasing the prices. If we could get the whole of the market of Canada, we would be in a better position to deal directly with the consumer. We would practically have a market for the whole of our product, or the greater portion of it, and we would be able to supply a better class of fruit than we have been supplying in the past. The hon. member for Moosejaw (Mr. Knowles) seemed to be surprised because apple growing in the province of British Columbia had increased from 210,000 boxes in 1910 to 787,750 boxes in 1915. Surely he knows that in British Columbia this industry is practically an infant industry. The increase in production is not because of the prices, and not because of the money that is being made out of the sale of apples, but because the trees are coming into bearing. The apple growers of the Western States, particularly those of Oregon, Washington and Idaho, have planted apples over something like 550,000 acres of land. Their production is so great that 75 per cent of their trees will have to be uprooted, and the acreage put to other purposes; and then when those remaining trees are in full bearing, they will have sufficient to supply their own markets. So far as British Columbia is concerned, we have not as yet any over-production, and we are not likely to have any. The cost of producing a box of apples to-day is, on the average, about $1.08, and that is not based on any extravagant value for the land. The Fruit Growers Association representatives who were here told me that the estimated value of apple growing land was $125 per acre, and any one knows that that is not an exorbitant price for land in the valleys of British Columbia.

The situation at present is that there is such an enormous over-production in the three western states which I have mentioned, that, when the growers there have graded their apples, they make the price on the prairies and sell their lower grades in Canada, they having far more than sufficient of the better grades to supply their ordinary market.

Mr. DOUGLAS: Has the hon. member any idea as to the price the grower in Washington and Oregon receives for his apples, say for No. 1 Fancy?

An hon. MEMBER: Forty cents a box.

Mr. GREEN: It is not 40 cents a box. Time and time again they have flooded the prairie districts with apples at from 30 to 70 cents per box. Occasionally they get as high as $1 and $1.20 for some of the better grades, but these apples very seldom come into our prairies.

Mr. DOUGLAS: I meant apples comparing with your No. 1 grade.

Mr. GREEN: The better grade do not come in at all to the Prairie Provinces.

Mr. DOUGLAS: I know differently.

Mr. GREEN: They do not come into the Prairie Provinces in any quantities. The apples that are being sold to-day are the lower grade apples, as the returns will show, and that is the apple we have to compete against. The position is this: They have these apples that they have to feed cattle with or dispose of in some other way. When they are packing the apples, they naturally pack what is saleable, and they consign some of them to the Prairie Provinces at a price in some cases hardly sufficient to pay the freight and duty when sold. When the British Columbia producer is ready to sell his apples, he finds the price being made all the time by the American producer. He must meet that competition. They tell him that they can get apples from the Oregon country at a certain price and ask him if he can compete with it. If he can, he can get some of his apples in. This duty will enable us to send our fruit to the prairie provinces. It will enable us to do away very largely with the middleman because we will be in a position to deal directly. We can make arrangements to sell; the producer will get

a little more by being able to deal directly with the consumer, and the consumer will pay very little more for the apples.

I am not going very much into figures. The hon. member for Red Deer (Mr. Clark) said we should put our fruit on the same basis as their cattle and beef. Our fruit is exactly on that basis to-day. The fruit of Canada will compare very favourably with any fruit produced in the world, particularly apples; and we are prepared to put our fruit in competition with any fair market that we have to enter. But it is not fair that all the surplus of the American producer should be allowed into our markets to the exclusion of the apples grown by our own people.

The patriotism of the fruit growers has been referred to this afternoon. As the Minister of Finance pointed out, the fruit growers are only one branch of the farming or agricultural industry, and I am sure the fruit gowers of Canada will compare favourably in patriotism with those engaged in any other branches of farming. Whole communities in the fruit-growing districts of British Columbia have left to fight the battles of Canada and of the Empire, and I have no doubt that that remark applies to other parts. I do not think that in helping the fruit growers of British Columbia we are going to injure any one. The producer will undoubtedly get more by coming into direct contact with the consumer, and the consumer will have to pay very little more for the product.

Mr. BUCHANAN: I had occasion to make some remarks about the apple duty when I spoke on the Budget. I want to express the opinion again that I expressed on that occasion, and it is that this increased duty on apples means an increased cost to the consumers on the prairies. I am not relying upon any gift of prophesy which I may possess for that assertion, but I have read a statement made by a Vancouver wholesale fruit merchant, and his statement is that it means an increased cost to the consumer. He presents the usual protection argument, and he says the duty could not have any other effect, and that the more protection there is on fruit the greater will be the price demanded by the distributor.

Mr. J. E. ARMSTRONG: Is the hon. gentleman aware of the arrangement which is about to be consummated between the large co-operative apple growers of Ontario and British Columbia and the Grain Growers Associations in the western provinces whereby the Grain Growers Associations will distribute all the apples required by the western country instead of allowing the fruit to be handled by a trust?

Mr. BUCHANAN: During last year the United Farmers of Alberta were distributing apples on that basis. But that does not make any difference practically in regard to the matter and that does not mean that the fruit growers of British Columbia will not take advantage of this increased duty when they will be without competition from Washington and Oregon. They will charge more to the men who distribute the fruit and the price will go up; there is no question about that. The hon. member for Kootenay (Mr. Green) argued that deputations have been coming here and pressing this matter upon the Government and that finally the Government has yielded to the argument that they have put up and granted this increase of duty. I understand that these deputations have been coming for the last three or four years. My hon. friend from Red Deer (Mr. Michael Clark) dealt with the political side of this assistance to the fruit growers. An expression frequently used by the hon. the Minister of Finance (Sir Thomas White) is that certain things synchronize with certain other things, and if that be true is it not peculiar that this year, when there is a possibility of an election in British Columbia and when there are by-elections in that province, this Government grants this request and gives the apple growers this increased duty. The argument of my hon. friend from Red Deer holds absolutely good on that question. The request is complied with in 1916 when the life of the British Columbia Legislature is expiring.

Another point. Deputations have been coming to this Government, since it came into power in 1911, from the grain growers of Saskatchewan, Alberta and Manitoba asking for free wheat, and their requests have not been complied with up to the present. The Finance Minister tells us that he is assuming a national position. The national position he takes is that of a supporter of one industry in this country—the milling industry. While he takes this attitude in connection with free wheat he comes to the assistance of the fruit growers of British Columbia; or at least he says he is coming to their assistance. This means a further increase in the cost of apples to the consumers of the prairies. If the Minister of

Finance had investigated fruit conditions in British Columbia he would have found that there were other reasons than the competition from the states of Oregon and Washington for the condition of that industry. The statement was made in 1911 by a gentleman who was opposed to the reciprocity measure that reciprocity, in so far as it affected the fruit industry, would be a good thing for the fruit growers of British Columbia. His argument was that if they were compelled to feel the effects of real competition from across the line they would box their fruit better and they would go out and hunt for a market and get it. That is about what will happen to the fruit growers of British Columbia. The British Columbia Department of Agriculture carried on an extensive advertising campaign in Alberta last year and there were fine window displays of British Columbia fruit in the stores of my city. I am satisfied that the increase in the sale of British Columbia fruit in Lethbridge amounted to at least fifty per cent. They advertised and appealed to the people to buy British Columbia fruit, they displayed it in the windows and they gave the people some idea of the kind of fruit they were able to produce. That is what they had failed to do in past years. When Alberta has a surplus of butter to sell it does not come to this Government and ask to have an increased duty on butter. It goes to British Columbia and develops a market. It produces a good article and therefore it is able to dispose of its surplus butter. The fruit growers of British Columbia should cultivate a market in the neighbouring provinces and not come to this Parliament for an increased duty to stifle competition and cause an increase in the cost of fruit to the people of the prairies.

The Minister of Finance is interested in the development of Canada. He wants to see imigration into this country, he wants to see the Prairie Provinces, as well as the other provinces, prosper, and he wants to see an inflow of population after the war. My judgment is that as long as people come to Western Canada, investigate the conditions there and find that the cost of living is high and is increasing, he is going to interfere with immigration by such legislation as this. What will follow in connection with this duty on fruit? The people who come over to Western Canada from the United States are accustomed to getting fruit and getting it fairly cheaply. When they come to the West and find that apples are expensive, when we put an almost prohibitive duty on American apples coming into this country, and when we increase the cost of apples so that ordinary people will not be in a position to buy them, do we not interfere with people coming and settling on the western prairies?

My hon. friend from South Oxford (Mr. Sutherland) says that this duty will help the apple industry in Ontario. All well and good, but it does not help the farmers of Western Canada who have to buy fruit and who have to pay high prices for it. They do not raise fruit to any extent, nor will they do so for many years to come in those provinces. They have to import it from other provinces, and why should they not be in a position to get that fruit at the best possible price? We will buy British Columbia fruit when the fruit raisers produce that fruit, box it and get it to us in good shape as they have been doing during the past year. They have made a step in that direction, they have created a demand and that demand will increase. But I am afraid that if this Parliament increases the duty on apples and puts the fruit growers of British Columbia—if not the fruit growers, the middlemen—in a position to charge an increased price for their apples, it will do a great deal of harm to their present market on the prairies and will consequently do harm to the fruit growers themselves. That statement was made in a paper published in British Columbia which I have read only recently. The statement was made that this duty might interfere with the present market of the British Columbia fruit grower on the prairies because the fruit grower might take advantage of the high protection and increase the cost to the consumer. I would like the Minister of Finance to consider seriously the objections which have been made by the Prairie Provinces to this increased duty on apples, especially, as he says it is according to his own statement, for the benefit of only one province.

Sir THOMAS WHITE: I said for the benefit of the whole apple industry but especially that of British Columbia.

Mr. BUCHANAN: I read in the report of the minister's speech a statement that it was particularly for British Columbia.

Sir THOMAS WHITE: I spoke of the apple industry generally and of that of British Columbia particularly. What is the whole sentence?

Mr. BUCHANAN: I will read it:

We regard this duty as indispensably necessary for the preservation of the apple growing industry of Canada and particularly that of British Columbia, which has been most seriously affected since the outbreak of the war.

I still contend that this duty is directed principally to the province of British Columbia. I do not think the war has had any effect on the apple industry of that province, except to increase the market for British Columbia apples in the Prairie Provinces. I am satisfied that there has been an increase in that market during the last year.

Mr. ARMSTRONG: Are we to understand that the Grain Growers' Association and the other farmers' associations, who will act as middlemen in distributing amongst the Prairie Provinces the output of the apple industry of British Columbia and Ontario, will charge excessive prices to the people in those Prairie Provinces?

Mr. BUCHANAN: Leave the middlemen out of the question altogether, and say that the fruit is bought direct from the fruit growers in British Columbia. I am satisfied that the fruit growers will demand a higher price for their product by reason of the fact that under this tariff competition will be got rid of. There is no question about that. These fruit growers are only human, and they will take advantage of this increase in the tariff.

Mr. ARMSTRONG: Not necessarily.

Mr. STEVENS: I desire to make a few brief observations on this question, and to deal with one or two points raised by hon. gentlemen opposite. Taking the last point first, the main objection of hon. gentlemen opposite seems to be that this duty will mean an increased price to the apple consumers of the Prairie Provinces.

Mr. TURRIFF: All over Canada.

Mr. STEVENS: I am glad my hon. friend has taken in the whole of Canada. That puts the question on a broader and a much better basis. However, I was referring to the statement that had been made by my hon. friend from Red Deer and others that the duty would mean an increased cost to the consumers of the Prairie Provinces.

Mr. MICHAEL CLARK: I beg my hon. friend's pardon. I mentioned particularly the city which he represents in this House.

Mr. STEVENS: But with reference to something else. I will deal with that in a moment. Any student of production will admit that in order to sell at the lowest figure you must produce a large quantity, and that if production is limited the cost will be proportionately higher. The difficulty with which the fruit growers of British Columbia have to contend is that the fruit crop of Washington, Oregon and Idaho comes on the market a couple of weeks earlier than the British Columbia fruit. The best fruit of these states is sold in the United States, and when the American demand is supplied the surplus is dumped on the Canadian market and sold at a loss in competition with the fruit of British Columbia, the Prairie Provinces and Ontario. Eighty-five per cent of the fruit that is shipped in here from America is of "C" grade. All their No. 1 grade is marketed in their own country. The British Columbia growers, whose production is limited, cannot compete with these American prices; they cannot get a fair and reasonable price for their product. This increase in duty will enable them to market a larger portion of their crop, and in that way sell their products cheaper than at the present time. I will not say cheaper, because their fruit is being sold at a loss at the present time; but at least the price will not be dearer by reason of this duty. I consider that an answer to the contention that the price of apples will be increased if this measure passes.

The hon. member for Red Deer has something to say about the political situation. He made the point that the minister, in bringing down this measure, was seeking to help the political situation in British Columbia, but in his very next breath he made the rather contradictory statement that this measure was against the interests of the people of British Columbia. He said that only a small section of that province would be benefited. Both these statements cannot be sound. My hon. friend laughs.

5 p.m. Mr. MICHAEL CLARK: Of course, I pointed out that the minister was short-sighted because he could not see that that would be the effect.

Mr. STEVENS: My hon. friend did not see it.

Mr. CLARK: The people of Vancouver saw it.

Mr. STEVENS: My hon. friend never saw it at all. He tried to make the argument that this was a political measure. As a matter of fact, it is a measure—I am speak-

ing of the local and not of the national aspect—to save an industry in British Columbia which at the present time is not over-producing, and which for the next five years will not produce to the extent of its natural market's demand. It has also been argued that one of the reasons that the apple industry in British Columbia is in hard straits is because of the high price of land. That has not been demonstrated by any figures, or been attempted to be proved by hon. gentlemen opposite. As a matter of fact, it is not the reason at all. In the first place the land in British Columbia upon which the fruit is grown is perfectly useless—I am referring to the Okanagan valley and the Dry Belt—unless it is irrigated, and irrigation works demand a large investment of capital. Once this land is irrigated it produces and becomes valuable. But there must be a large and a long investment before the apple industry becomes a paying proposition. It is, perhaps, six, or eight, or nine years before you get a crop off your trees. The trees have to be sprayed and fertilized in this non-productive period; you have to cultivate the land, keep up the fences, and put in irrigation works. All these things enter into the cost of production of apples. In the Western States I have referred to, it can be demonstrated conclusively that they have over-produced. Large areas of land have been planted in apple orchards and other fruit, and the trees are now coming into bearing at a very rapid rate. A very large percentage of these fruit growers are going into liquidation, and the British Columbia fruit grower is faced with the competition of a bankrupt community. Now, that is not a fair competition. My hon. friend from Medicine Hat (Mr. Buchanan) used the butter illustration. As a matter of fact, he and the hon. member for Red Deer, and others engaged in the butter business, have a protection for their own market.

Mr. DOUGLAS: Apples are protected to about 25 per cent.

Mr. STEVENS: This will make it about 25 per cent.

Mr. TURRIFF: This will make it about 100 per cent.

Mr. STEVENS: Not at all. This will make the duty about 25 per cent of the actual market value of the apples. That is clear and beyond question. The butter argument is not reasonable. If the farmers in the Western States of the United States were shipping their butter into Alberta at a lower price than the Alberta farmers could produce butter at, the farmers of Alberta would be down here 1,500 strong, howling for protection.

Mr. MICHAEL CLARK: No.

Mr. STEVENS: There is no question about it. And in such a case my hon. friend from Red Deer would be a convert from free trade.

Mr. McCRANEY: What price does the apple grower get in British Columbia, so that we can compare it with this duty of 90 cents a barrel?

Mr. STEVENS: They get about 22 cents a box in the orchard.

Mr. DOUGLAS: And the duty is 13 cents.

Mr. STEVENS: My hon. friend (Mr. Douglas) will not argue that 22 cents a box is a reasonable price to the grower. Does he make that argument?

Mr. DOUGLAS: No.

Mr. STEVENS: No,—no more than he will make the argument that 30 cents a bushel is a fair price for wheat or 15 cents a pound a fair price for butter. He must grant to the grower in one department of agriculture what he claims for another. All we ask for the grower is a reasonable price—a living wage, if you like that term.

Mr. DOUGLAS: The hon. gentleman has misinterpreted my meaning. I was trying to get at the relation of this duty to the price. If the grower is selling at 22 cents a box, would not the customs authority be justified in taking that as a basis for duty?

Mr. STEVENS: That is the price to the producer, in the orchard. I think the fair price to consider for duty is the wholesale price in the market.

Mr. McCRANEY: At what price can the fruit grower of British Columbia raise a barrel of apples profitably?

Mr. STEVENS: About $1.08 a box for No. 1.

Mr. BEST: Is that $1.08 per box or per barrel?

Mr. STEVENS: Per box. That is for the No. 1 apples. Of course it would be less for the No. 2 grade, or the No. 3 grade which is equal to the "C" grade imported from the United States, which is our keen competitor. Give us a fair chance in the market of Canada, so that we shall be

assured of marketing a reasonable quantity of our crop, and we will be able to sell that apple at a very little increase, if any increase at all, over the cost at the present time. My hon. friend should remember that the chief cost of the apple as it comes on the market is transportation and distribution.

Mr. A. K. MACLEAN: The transportation charges would be in addition to the cost that the hon. gentleman gave a moment ago?

Mr. STEVENS: Certainly. The main difficulty in the marketing of apples to-day lies in the cost of distribution. The distribution has been greatly improved within the last few years. I understand from the chairman of the Railway Commission that transportation has been brought down to the lowest possible figure, so that that consideration can be eliminated from the argument. We come down to the wholesaler or commission merchant who handles the freight. This is a perfectly legitimate business, and I have no complaint to make of the men in the business. But it seems to me that in connection with the fruit business, what we require is that the grower should get into direct touch with his market. There is no business which lends itself better to that method of distribution than apple growing, for you have the apples in packages which can be handled and distributed easily. As stated by my hon. friend from East Lambton (Mr. Armstrong), efforts have been made, and with a measure of success, to bring the grain growers' organization of the Prairie Provinces—a very fine organization—into co-operation with the western fruit growers, so as to save the cost of distribution. I suggest to my hon. friends who have been putting up this, as I consider it, rather bitter objection to this clause—a very strong objection at least—that they had better facilitate the co-operation between these two great agricultural bodies, whose interests are common, and endeavour to overcome this economic loss or wastage occasioned by distribution. My hon. friend spoke a little while ago about the importations into Vancouver, and he expressed the opinion that this legislation would be against the interests of the people of Vancouver which is the chief centre of population in British Columbia. I must thank my hon. friend for his solicitude for the people of Vancouver. On the other hand, I think I know a little about Vancouver, and I would say to him that the people of that city realize that the development of the hinterland of British Columbia is to their advantage. My hon. friend was in Vancouver in 1911, and I listened to him with a great deal of interest in his discussion of the reciprocity proposals. He and his friends pointed out what an immediate advantage reciprocity would be to the people of Vancouver. There may have been some truth in some of these statements, but the people of Vancouver were far-sighted and they realized that their best interest lay in the development of the whole country rather than in the immediate reduction in price of some of their food commodities. I am quite satisfied to go before my constituents on the basis of supporting the development of the agricultural sections of British Columbia, knowing that the development of these sections will tend to benefit the city of Vancouver and other centres of population.

The hon. member for Red Deer pointed out in rather eloquent terms that this was a very reactionary war, that all wars were reactionary and this particularly so.

Mr. MICHAEL CLARK: I did not say that this war was particularly reactionary. I said this was the greatest war in history, and I said that generally war was reactionary.

Mr. STEVENS: That seems to me to be splitting hairs. The hon. gentleman said that war was reactionary and that this was the greatest war in history, and the inference is that this is the most reactionary war. But I would point my hon. friend to the action of the people of Manchester —the home of his idol, Richard Cobden, a man whose memory I also revere and honour—who, the larger majority of them have already declared in favour of a policy of protection.

Mr. CLARK: Surely my hon. friend is not serious. He would not suggest that a majority of the Chamber of Commerce constitute a majority of the inhabitants of a place of three-quarters of a million people.

Mr. STEVENS: I presume that the Chamber of Commerce represents the views of that great commercial city, which was the cradle of free trade, and has been its home at least, since 1841.

From that time until within the last six months they never uttered a word that could lead one to think that they were in the slightest degree departing from the

policy of free trade. They had weeks of debate on this subject, and a majority which threatened to be almost overwhelming declared in favour of the policy of protection. Just as sure as the sun will rise to-morrow, a policy of protection within the Empire is coming. I do not apologize for defending a measure of protection. My right hon. friend the leader of the Opposition for fifteen years stood solidly by the policy of protection, and if he came into office to-morrow he would stand solidly by protection again. He dare not go before the country and say that he would not. The hon. member for Red Deer is consistent; so far as I know, he has always stood for free trade. I always admire a consistent man, but I certainly do not agree with the views of the hon. member for Red Deer. I do not think that any member on the other side of the House would go as far as he does in standing by free trade. Views similar to those which he entertains have now been abandoned by the people of Manchester, represented by the Chamber of Commerce, which has been the birthplace, the cradle, the home of free trade.

Sir WILFRID LAURIER: Is the Manchester attitude that of free trade within the Empire, or protection within the Empire?

Mr. STEVENS: They have changed their whole ideas as to trade; they have abandoned free trade as it has been in England. I would tell the hon. member for Red Deer, the champion of free trade in this country, that to a large extent the preparedness of Germany and her success in prosecuting this war as she has up to the present time have been the result of the policy of free trade in England.

Mr. MICHAEL CLARK: Does my hon. friend refer to Germany's preparedness on sea?

Mr. STEVENS: I do.

Mr. CLARK: She has scarcely been been heard of on sea.

Mr. STEVENS: It was not the policy that my hon. friend advocated in 1912 that made Great Britain prepared on sea. If it had not been for the bull-dog policy of Winston Churchill, in my estimation there would be no Canada to-day. My hon. friends opposite laugh, but I say further, that whatever be our judgment of Winston Churchill's action in connection with the Dardanelles or with other matters, we must admit that the policy which he followed for years before the outbreak of war made it possible for Great Britain to control the seas as she does, and as she did within twenty-four hours after the outbreak of war.

The CHAIRMAN: I feel it my duty to direct the attention of the committee to the fact that we are discussing a proposed resolution to amend an item in the tariff. I would respectfully suggest that hon. members refrain from discussing the naval issue.

Mr. STEVENS: In justification of my dealing with this subject, I may say that I was simply referring to a suggestion made by the hon. member for Red Deer. I say this to hon. gentlemen from the Prairie Provinces: give us a fair chance to market a larger quantity of our crop, and we will keep down the prices. That is a sound economic argument. If hon. gentlemen will bend their efforts towards encouraging the co-operation of these two branches of agricultural industry, they will do greater service to the country than they can do by fighting this proposed amendment to the tariff.

Mr. LOGGIE: Will the hon. gentleman tell the committee what he considers to be a fair average price to the British Columbia grower for average grade apples, delivered in Vancouver?

Mr. STEVENS: We do not handle our apples just as they are handled in my hon. friend's part of the country. We put them up in boxes, and handle them in very carefully selected grades, under severe inspection laws and regulations. The usual grades on the market are the first, second, and third grades.

Mr. LOGGIE: What price does the wholesale merchant pay for the average grade?

Mr. STEVENS: I should judge from 90 cents to $1.75 a box. Of course, I do not speak authoritatively.

Mr. LOGGIE: The hon. gentleman says that this is a measure to save an industry. If that be the case, the consumer pays to that industry an amount sufficient to save it. For one barrel of apples that we import into Canada, we export four. I think it would be found that a very large proportion of the total importation of 267,000 barrels was brought in between seasons, that is, in the months of May, June and July, from the southern portion of the United States. I cannot understand why the producers of British Columbia cannot compete, when they get or ought to get a reasonable price.

Apples imported into Canada during last year cost, at the point of production, $2.41 a barrel. Added to that would be duty at the rate of 40 cents a barrel; and the cost of transportation from the orchards to the wholesale dealer would make the average price over $3 per barrel. In view of this fact, I do not see why these who have orchards in suitable districts in this country cannot engage in successful competition. I suppose that the effect of this measure will be that the producer in British Columbia will endeavour to raise his price to the producing centres near by. I suppose the hon. gentleman is right in saying that the measure is designed to save an industry; but is it good economics for one portion of the community to help another portion of the community to live? There is such a thing as carrying a national policy to extremes. There is at present a duty of 40 cents a barrel on apples.

Mr. OLIVER: Plus 7½ per cent ad valorem.

Mr. LOGGIE: The total duty then would be 90 cents a barrel plus the 7½ per cent special war duty, which is a very heavy rate on a commodity of this kind. It hardly seems businesslike to tax the consuming community to that extent. Why is it done? Simply to enable the producing sections of Canada to obtain a higher price for their apples than they would be able to secure if the consuming portions of the country were permitted to get them from an adjacent country at a lower cost. While we must have revenue, and it is not unreasonable to have incidental protection, it is very doubtful if we should impose a protective duty simply for the purpose of assisting any industry.

Mr. STEVENS: The hon. gentleman is arguing against imposing a burden on one part of the community to help another. Would he favour the removal of the duty on coal, which would affect his own province?

Mr. LOGGIE: Allow me to answer my hon. friend in this way. The duty on coal now is a very, very small percentage of the cost. When you impose a small duty, in view of the fact that we must have a revenue, it becomes a tariff for revenue purposes. But when you come down to the principle of protection,—and the hon. gentleman has admitted that this is a measure to save an industry and not a measure for revenue purposes—

Mr. STEVENS: The duty on coal is just about what we are asking on apples, between 25 per cent and 30 per cent.

Mr. KNOWLES: Two blacks do not make a white.

Mr. STEVENS: Not at all.

Mr. LOGGIE: I would be very glad to see the duty on coal reduced to a reasonable rate. On such a commodity as apples, I certainly do not think that such a high rate of duty should be imposed as is now suggested. I believe that all commodities of this class, such as coal, in fact all natural products, ought to come into this country as far as possible free of duty. We might well say that coal is one of the products that should be brought into this country at the lowest possible rate of duty.

Mr. DOUGLAS: I wish to say a few words on the question of duty as it effects the Prairie Provinces. We in Alberta in particular, and it applies equally to the people of Saskatchewan, are forced to pay extremely high prices for our apples. Apples, it is generally recognized, are an essential article of food to-day, and anything that tends to increase the price naturally effects every one of the inhabitants of those provinces, because they all use apples. I have been dealing in apples for many years and know something about the prices. The statement made by hon. gentlemen opposite that the United States export their poor grades of apples and that we in Alberta buy them is absolutely beside the truth, because in my experience I never bought a box of apples that graded under No. 2 if I knew it; I have always bought No. 1 stock. We have to pay heavy transportation charges, and we cannot afford to pay freight on poor stuff, and that is the reason we cannot afford to buy apples from Ontario, although we have tried to do so year after year. I consider that we are an extremely patriotic people when in the face of the quality of fruit we have had to put up with from Ontario we still have faith to keep on trying year after year. We have been bitten so often that our patience is exhausted, and we are now forced to buy our fruit from the neighbouring states of Oregon and Washington.

Mr. LEMIEUX: You should try Quebec. That is where the best apples are grown; right in Rouville county.

Mr. DOUGLAS: We are not all millionaires, and to buy apples from Quebec would entail a cost of nearly $8 a barrel, which is

prohibitive. We have to pay, year in and year out, an average of $2.25 a box for apples.

Mr. GREEN: Do you buy direct from the grower or from the jobber?

Mr. DOUGLAS: I have bought both ways. It is almost an impossibility to buy direct from the grower.

Mr. GREEN: That is what I thought.

Mr. DOUGLAS: The growers in British Columbia and the American growers are all marketing now through exchanges, which is an especially good way of marketing fruit. But to my mind the real crux of the situation, so far as British Columbia is concerned, is their very poor marketing facilities. The statement of the hon. member for Lambton was rather grotesque, when he said that the growers of British Columbia and the growers of Ontario were uniting to have the products of British Columbia and the products of Ontario marketed by the grain growers of the three prairie provinces. The farmers might supply their own wants, I can quite conceive that, by buying direct from the exchanges in British Columbia, or in Ontario.

Mr. WEBSTER: They are doing that now.

Mr. DOUGLAS: But that does not affect the price of apples to any appreciable extent. We are still paying $6.75 to $7 a barrel in the prairie provinces. If, in the face of these exorbitant prices, this Government puts on an extra tariff of 50 cents a barrel to that extent it will add to our burdens, while, at the same time, the grower in British Columbia is not receiving a fair price for his apples. There is no question about that. He is getting, as hon. gentlemen opposite have stated, from 22 cents to 80 cents. According to the statement of the Minister of Finance, 80 cents is the average price paid for apples to the British Columbia grower, and that is a very high estimate, because the hon. member for Kootenay says that the price was 22 cents in 1914. I have a telegram from a prominent fruit grower in Salmon arm, who states that in 1914 the price to the grower was 22 cents a box.

Mr. GREEN: That refers to apples on the trees, before they are touched.

Mr. DOUGLAS: Yes; it may be the price before they are picked, but in 1915, his price was 80 cents a box picked. As a matter of fact, I know that the farmer gets no more than 80 cents a box, and sometimes as low as 60 cents a box, when he takes his fruit, not from the tree, but into the exchange. The contention, therefore, that that price is for apples hanging on the tree is not very well founded. With a price of that kind, and a tariff of 30 cents per box, the hon. member for Vancouver is not quite consistent when he says that they are quite willing to submit to a duty of 25 per cent, because, with apples costing around 60 cents a box, to produce or sell and with a tax of 30 cents, the grower would have more than 25 per cent protection. I have figured it out that the tariff at the present time, under the present growing conditions, represents very close to 40 per cent protection. If we could be certain that the producer in British Columbia would derive the benefit from this taxation, and that we, the consumers, would not have to pay any more, I am sure the people of the Prairie Provinces would be patriotic enough to purchase their fruit from British Columbia. But we have had experience in the past that does not bear out that contention. I claim that under the present proposed tariff we would not enjoy the benefit which has been suggested by the hon. gentlemen from British Columbia, and the consumers in the Prairie Provinces would be forced to pay practically the whole of this enhanced duty. I want to warn the Minister of Finance of the effect it may have. To-day the farmers' organizations in the western provinces are looking so seriously on this question of increased taxation that they have passed a resolution pledging themselves to be patriotic to the Dominion of Canada by buying their farm machinery in the United States, and paying the duty, so that the treasury of Canada will be enhanced, instead of paying the manufacturers of Eastern Canada an enhanced price, which goes directly into their pockets, and not into the treasury of Canada. Be very careful lest the same condition arise in connection with the fruit industry.

M. J. G. TURRIFF (Assiniboia): After the discussion we have had this afternoon, the Minister of Finance would be well advised if he withdrew this resolution. I am very much of the opinion that if it was not the intention of the Minister of Finance to use this for the political advantage of the party in British Columbia, it certainly was the intention of some others. As I under-

stand the matter, the bulk of the apples grown and shipped from British Columbia are from the Kootenay country, the southern portion of British Columbia, and naturally it would be very much to the advantage of my hon. friend the Minister of Agriculture (Mr. Burrell), who, we all regret, is not in his seat. I have no doubt that this duty was proposed largely in the interest, and at the request of, the Minister of Agriculture. We have heard a request from my hon. friend who represents Vancouver, for reciprocity between the Prairie Provinces and British Columbia. He pointed out, or some one else did, that large delegations came from British Columbia and asked that this duty be put on apples. The Minister of Finance lent a very ready ear to that demand for raising the duties, but when a much stronger delegation came from the Prairie Provinces, representing one hundred times the interest that exists in the apple-growing districts of British Columbia, and asked that duties be taken off, the Minister of Finance turned his deaf ear towards them.

Mr. GRAHAM: Both ears were deaf.

Mr. TURRIFF: Yes, both ears were deaf on that occasion. If my hon. friends from British Columbia want to develop the apple industry, why do they not follow the example of Alberta and Saskatchewan. When the farmers in these provinces wanted to develop the cheese-making and butter-making industries, what did they do? They did not come to Ottawa and ask for extra duties to be put on. They appointed men, and paid them, to take charge of cheese factories and creameries on behalf of the farmers' organizations, and these establishments were run by the Government for two, or three, or four years. When they had been fairly well established, and were turning out good butter and good cheese, the Governments pulled out altogether; the farmers then ran the creameries and the butter factories themselves, and to-day they form a very important industry in those provinces.

Mr. WEBSTER: Is it not the fact that the butter makers in Alberta and Saskatchewan are protected by a tariff of 4 cents per pound?

Mr. TURRIFF: My hon. friend is perfectly right, but will he point to a single instance where the farmers of these provinces asked for it? The farmers of the Western Prairie Provinces are not asking for higher duties; they are asking to have the duties taken off. They are prepared to face any competition on the face of the earth in connection with the products they have to sell. If my hon. friends from British Columbia want to put the apple industry on a proper basis, let them go to their Provincial Government and ask them to take action along the lines of that taken by the Governments of Alberta and Saskatchewan in connection with butter and cheese. Do you think you are going to develop a national spirit in the Dominion of Canada when you set one province practically against another, or when you attempt to do so? My hon. friend from Lambton (Mr. Armstrong) tried to lead this House to believe that the farmers' organizations of the Prairie Provinces and the apple growers of British Columbia were getting together, and that the farmers' organizations of the prairies were going to distribute British Columbia apples. My hon. friend is very, very much mistaken if he holds that out as the view of the western prairie farmers. The Minister of Finance is treading on mighty dangerous ground when he keeps putting one burden after another on the prairie farmers. Let me read what has taken place within the last few days in this very connection. I read from the Manitoba Free Press of Wednesday, March 8:

Increased duty on applies protested. Canadian Council of Agriculture passes strong resolution—Officers elected.

At the annual meeting of the Canadian Council of Agriculture yesterday, the following resolution was passed unanimously:

"Whereas, at the request of the British Columbia fruit growers, the duty on apples has been raised from 40c. to 90c. per barrel; whereas; this is an enormously high duty—approximating 100 per cent ad valorem of the cost of production of apples in Canada; and whereas, the evident purpose of the imposition of this duty is to force the prairie consumer to pay a higher price for apples; therefore, be it resolved that this the Canadian Council of Agriculture, in meeting assembled declare this to be an unrighteous attempt to exploit the prairie farmer for the benefit of British Columbia fruit land speculators, fruit growers, and middlemen, and we advise the farmers of Alberta, Saskatchewan and Manitoba, that if this becomes law and they are to be taxed in this manner, they pay these taxes into the federal treasury by purchasing imported apples rather than pay the same duty together with profit thereon to British Columbia land speculators, fruit growers and middlemen."

The following officers were elected: J. A. Maharg, Moosejaw, president; R. W. Woods, Carstairs, first vice-president; president U.F.A., Ontario, second vice-president; and R. McKenzie, secretary.

Each member of the council reported a growing bitterness because of the gradual but continuous burden of tariff taxation imposed on them for special privilege without any corresponding relief, and which does not go into revenue.

Then it gives a list of those who were present. I commend it to the Minister of Finance and my hon. friends who represents the apple growing districts in British Columbia. Just as sure as the sun will rise to-morrow, if this becomes law the British Columbia apple grower will sell fewer boxes of apples in Alberta, Saskatchewan and Manitoba than he is selling at the present time. The apple growers have increased their output 400 per cent in the last four years. Is that not going fast enough? Yet, in face of that they come here and demand legislation that puts an added burden on the backs of the people of the prairie provinces. If this were only a money matter I would not take up one minute of the time of the House in discussing it. The money is important in a way, it will amount to $200,000 or $300,000 a year, but the most important part of it is the underlying principle that has actuated the Minister of Finance in putting this duty upon apples. We know what has taken place in the last few days in British Columbia, and I am sure it was for the purpose of helping his friends there that the minister proposed this tariff to Parliament. The hon. member for Vancouver spoke about the small tax this would be and he said that the people he represents are in favour of developing the hinterland of British Columbia. A few years ago I was in Vancouver and I looked around the fruit stalls there to see what the British Columbia fruit was like. I spoke to the fruit dealers and they told me they did not buy very much fruit from the Okanagan Valley. The apples I saw there were principally American apples.

Mr. STEVENS: How many years ago was that?

Mr. TURRIFF: Three years ago.

Mr. STEVENS: It is only in the last three or four years that Okanagan Valley apples have been produced in really large and staple market quantities.

Mr. TURRIFF: That may be perfectly right. I was last there three years ago and conditions may have changed very much since then but they told me when I spoke about the consumption of British Columbia apples in Vancouver and Victoria that freight rates were such that they could not buy them.

Mr. STEVENS: That has been adjusted since.

[Mr. Turriff.]

Mr. TURRIFF: They said they could bring in apples from the United States, pay the freight and duty and get them for less than the Okanagan Valley apples cost. My hon. friend also spoke about the quality of the apples. I want to tell him, as was pointed out by my hon. friend from Strathcona that the poor grades of apples do not come in when our buyers know it, because they do not order poor grades. One reason why complaints have been made in the past about British Columbia apples is that they were not in many cases of the finest quality. They are a fine looking apple, but it is a new industry in that country and the apple growers there have not got to the stage of being able to produce the best apples. They are not producing as good apples as they can produce and as they will produce later on. The reason so many American apples are bought in our part of the country is that for the same money they can get a better apple than they can get from British Columbia. They are getting a better and a cheaper apple, and that is what is going to govern all through the piece. Our people like any other people will buy the apples that they can buy best and cheapest.

The Minister of Finance, in this matter, is undertaking to legislate especially for a very small number of people, because from a statement put before the House it appears that there were about 30,000 acres of land planted with apple trees and only a moderate number of these trees are bearing. Are the people of the whole Dominion to be punished to help the men who are growing apples on let us say 10,000 acres? The hon. member for South Oxford said that it was a shame to see so many American apples sold in Toronto, but no doubt these apples came in at a season when they were not getting Canadian apples. Why should millions of people in Canada, living in the cities and who do not grow apples, be forced to pay a higher price for apples in order to give a little more to land speculators or fruit growers in British Columbia? Is that fair, is that reasonable, is that a national policy in any sense of the word, is it right to benefit a few, a very few, at the expense of the many? It seems to me that if that is the idea of this National Policy the time has about come when there should be a revision of ideas in connection with that policy. To my mind, the way to help the British Columbia apple grower is to make his conditions as nearly right as possible and leave the tariff out altogether.

It was a very favoured argument of hon. gentlemen on the Government side for many years prior to the reciprocity agreement, that we were ready to bring down our duties if the Americans would only do the same thing. What has taken place? At the reciprocity election, as I may call it, there was a certain duty on apples. Since then that duty has been materially reduced by the American Government and to-day, if my information is correct, and if not I am sure my hon. friend's experts will, through the minister, set me right, the duty on apples going into the United States is 10 cents a barrel. The people of Canada were saying to the Government of the United States for many years: If you will reduce your duties we will reduce ours. The United States reduced their duty on apples to 10 cents a barrel three years ago, two years prior to the 6th of October last, and this Government now comes forward and says: We are going to put the rate on apples up to 90 cents a barrel. Ninety cents a barrel on apples is practically 100 per cent ad valorem. I venture to say that the farmers of Canada from the Atlantic to the Pacific do not get more than 90 cents a barrel for all the apples they sell at their farms. My hon. friend the Minister of Finance in order to benefit a small section of the country is forcing every man, woman, and child in the Dominion who eat apples to pay 100 per cent duty on the apples they consume. I leave it to you, Mr. Speaker, I leave it to the members of the House to say whether that is a fair proposition, whether it is a reasonable proposition, whether it is a law that should be put on the statute-books. But apart altogether from the prairie consumers, why should dwellers in the large cities be compelled to pay a large increased price for apples? During many months of the year we import apples from the United States, and if this measure passes we shall have to pay the extra duty.

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

The House resumed at eight o'clock, and then went into committee.

Mr. TURRIFF: I have a few words to say in the hope that the Minister of Finance will withdraw this particular clause. I do not say that my hope is very lively, but, knowing how fair-minded he is, I think that hope should be well grounded. It has been stated that it costs $1.08 a box to grow apples in British Columbia. That is at the rate of $3.24 a barrel. That is a very high price, and if it costs that much to grow apples in British Columbia, it would appear to me that they are not growing them as cheaply as they might; and if that is the case it is not fair that a few apple growers should be helped to maintain an over-expensive system of growing apples at the expense of the consumers generally, especially the consumers of the Prairie Provinces. There is no doubt that there has been improvement in British Columbia apple culture, and in the handling of the crop. It strikes me that if our apple-growing friends in British Columbia would go on with this good work and arrange for the proper distribution of their crop, as well as the proper packing and shipping of it, instead of coming here and asking for more protection, it would be much better. If I believed that this extra duty would really benefit the apple growers of British Columbia, or even that they would get a reasonable share of it, I would not be so strongly opposed to it. But I do not believe that the actual grower is going to get very much benefit out of this duty.

There is another ground on which we of the Prairie Provinces have reason to complain. Some hon. members, including, I think, the hon. member for Vancouver (Mr. Stevens), pointed out that the apple growers of the states adjoining British Columbia ship their poor quality apples into the Prairie Provinces—that 85 per cent of the apples shipped into western Canada were of No. 3 grade. If we in the West have to eat the poor grades of apples from Oregon, what is to be our position under this duty? This will enable the British Columbia, Ontario, and Nova Scotia apple growers to ship their good qualities of apples to foreign markets, and then, behind this prohibitive duty of 100 per cent, compel us to buy the poor grades.

Mr. STEVENS: Will the hon. gentleman permit me to correct him? What I said was that 85 per cent of the apples imported into the Northwest were of C grade, which is equal to our No. 2. I did not say they were a poor grade. On the contrary, they are a very good grade of apples.

Mr. TURRIFF: I accept the correction; but the argument remains the same. If a duty of practically 100 per cent is put upon apples, the growers will be able to ship those of good quality to outside markets and force the poor qualities on the people of the West who are compelled to import apples either from British Columbia, On-

tario, or the United States. We in that country are willing to pay and we do pay, a good price for apples, but we want to be in a position to command apples of good quality; we do not want the Government practically to take us by the throat and tell us that we must use the refuse apples while the good ones are shipped elsewhere.

As I have stated before, for many of the people in my own constituency this will represent a duty of almost 300 per cent. Carloads and carloads of apples come into the stations south of the boundary line, in an ordinary year when there is a good crop, and my constituents can go and buy apples at 25 cents a bushel shovelled in bulk out of the car. A man will buy 30 bushels at 25 cents, or 75 cents a barrel. Under this clause, he will be called upon for a duty of 90 cents on these apples which cost 75 cents. This is an inducement to the people of that country to smuggle. Why should the Government go out of their way to make it almost imperative for my constituents to do smuggling?

In view of the facts that we have been brought out in this discussion, I would ask the Minister of Finance to withdraw this proposal. If he will not withdraw it on economic grounds, will he not withdraw it on national grounds? It was pointed out by my hon. friend from Strathcona (Mr. Douglas) that the farmers' organizations of the prairies, at their annual meetings or at meetings specially called, had passed a resolution calling on their members not to buy Canadian farm implements, but to buy American farm implements and let the money go into the treasury for the purposes of the war instead of going into the pockets of the manufacturers. We have the same farmers' organizations this week protesting against this duty on apples and calling on their members to buy American apples and pay the money into the treasury. I want to tell the Prime Minister and the Minister of Finance that they are bringing on a most unsatisfactory state of feeling in Canada between the East and the West, and are deliberately driving the wedge home. The action of the Government in this pin-pricking policy—because it does not amount to anything in dollars—is calculated to have far-reaching effects. On these grounds I hold that the Minister of Finance should leave this apple business alone. The duty is high enough, surely. It was stated here this afternoon that in British Columbia a few years ago the farmers got 22 cents a box for their apples. As the duty was 39 cents a barrel, this meant a duty of 13 cents a box. Was not that duty high enough? And even when apples are worth 50 or 60 cents a box, is not a duty of 13 cents a box—with the additional duty of 7½ per cent ad valorem that was added last year—quite enough?

I do not know what the apple growers of British Columbia can be thinking about when they want to have a duty of 100 per cent. It is all right for them, perhaps, but what about the people who have to pay it—not only the people of the Prairie Provinces, but the consumers and workers in every village, town and city in this broad Dominion? Again I ask my hon. friend the Minister of Finance, in the interest of this country and in the interest of the national policy which he is so fond of advocating, to withdraw this item. I am sure that if he does that he will be doing something good for Canada. Throughout the West a feeling of dissatisfaction is growing strongly and rapidly with regard to the efforts that are being made to tax unfairly the people of that country.

Mr. JOHN A. BEST (Dufferin): After hearing this matter discussed for three hours this afternoon, I have come to the conclusion that many hon. gentlemen in this House think that in the western provinces is to be found the only place of any importance in the Dominion of Canada. It is estimated that it costs this country $6 for every minute that the House is in session; therefore the people have to pay over $1,100 for the time which has been lost in discussing this apple question. We are here to legislate the greatest good for the greatest number. I want to tell hon. gentlemen from the West, who take up two-thirds of the time of this House, that we have one city in the province of Ontario that has as great, or almost as great, a population as any one of the three western provinces.

Mr. MICHAEL CLARK: Who is building it?

Mr. BEST: I refer to the city of Toronto. Hon. gentlemen have not heard a protest in this matter from the city of Toronto, where the people have to buy all the apples they consume.

Mr. TURRIFF: Do I understand my hon. friend to say that the city of Toronto has a greater population than the three prairie provinces?

Mr. BEST: Pretty nearly as large a population as any of the three prairie provinces.

Mr. TURRIFF: The hon. gentleman had better look up the census returns.

Mr. BEST: The fruit-growing industry of the province of British Columbia is a new industry, and it wants protection. We have got to aid all new industries. I may point out that more apples are produced in the province of Ontario and in other parts of the Dominion than are produced in the province of British Columbia. Do we want to see the orchards in the province of Ontario that border on the United States go to waste? In the county in which I live hundreds, yes, thousands of barrels of apples rot under the trees simply because we cannot get a market for them. If the people in Western Canada were anxious to get these apples and were willing to pay the price, they would have them sent to the West. I think it was the hon. member for Strathcona (Mr. Douglas) who said this afternoon that he has paid as much as $6 or $7 a barrel for first-class apples. I may tell him that in the city of Ottawa I have paid $6 for a barrel of apples; as much as $7 has been paid in Toronto. I do not see why the people of the western provinces should find fault when they can get first-class apples at $6 and $7 a barrel. We must put on a duty to protect the people who are growing this kind of fruit all over the country. If the farmers of this country can not get protection, who ought to get it? It has been said by hon. gentlemen that the duty on apples will now amount to $1 a barrel, an increase of 50 per cent. If they are going to pay 50 cents a barrel extra for apples coming in here from the United States, I do not see how they would get much benefit from free wheat. Something was said about farm implements. I am one of those who were in favour of the legislation introduced by this Government permitting harvesting machinery to come into this country free of duty—a thing that had not been done during the fifteen years hon. gentlemen opposite were in office. With the exception of the 7½ per cent duty that was put on since the war started, the farmers of Canada get their harvesting machinery free of duty, and the duty on other farm implements has been considerably reduced. Yet these free traders who sit opposite kept up the duty for fifteen years. I say that the Government have a right to protect the fruit growers in British Columbia, in Ontario, and in the rest of Canada, and I believe that the people outside of these provinces are not finding fault with what they will have to pay for their apples.

Mr. GEO. E. McCRANEY (Saskatoon): This increase of the duty on apples is intended purely as a protective measure. I understood from the Minister of Finance that it was not for revenue purposes, so that there is no doubt that it is for the purpose of helping the apple trade throughout the country. Some items of revenue tariff have incidental protection; some items of protective tariff have incidental revenue; but this is one of the cases in which we have a purely protective tariff. If any change is to be effected in the way of revenue, I think the minister will say that it is to get less rather than more revenue. As it has been represented that the apple industry in the country is in a bad way. I am quite willing to admit the advisability of doing something for it. I have been accustomed, as member of a municipal community, to vote for loans, even for bonuses, to manufacturers in my own town, and I am willing to consider the giving of aid to an industry which claims that it is in a suffering condition. I think, however, that before such a proposal is put before us, the minister should make a definite statement—which he has not done—as to how many fruit growers in the country are affected by the adverse conditions; as to the extent of their losses, and the amount necessary to effect a remedy; also as to whether the condition is permanent or only temporary. We should know, further, what is to become of any vote that we make—because we make a vote as assuredly by decreeing that the people shall pay the amount directly to the fruit grower by way of duty, as we do by voting a stated sum of money out of the Consolidated Revenue Fund.

If we are going to benefit the fruit growers I think we should be assured that all the money that we vote is going to the fruit growers—that if there is any information as to how much of it will go to the transportation companies and how much to the commission men and other middle men, that information should be placed before us. But nothing of that kind has been mentioned. Some figures have been furnished to the House. The hon. member for Edmonton (Mr. Oliver) stated the other day that there were some 30,000 acres planted in apples in British Columbia, and

that the value of the apple orchards in that province was in the neighbourhood of $20,000,000; but, as for any information from the Minister of Finance or from this Government, we are only told that representations have been made by the apple growers of British Columbia to this Government. The statement of the minister was wholly in regard to the apple situation in British Columbia, and it only came out incidentally during the discussion that any other part of the country was interested in the item. We from the West had occasion a year ago to come to Parliament because there had been a great drouth in Western Canada, and we were able to tell the minister with some approximation, how many acres would have to be seeded and how many bushels of grain would have to be purchased. We arranged for the security that was to be given, and the minister knew pretty well when he came down to the House how much it would be necessary to vote, and he knew also the terms on which the money would be repaid and the rate of interest. We have been given by the minister no idea whatever what revenue this increase of the tariff is expected to produce.

Something was said by the Solicitor General the other day to the effect that the amount paid out per family by way of the increased price of apples owing to this increase of duty would be from 75 cents to $1 a year. We have been treating that as a very small amount, and when we are talking about war contracts and the great War Budget, perhaps 75 cents or $1 a year per family sinks into insignificance. Perhaps it would be well for us to get back to a frame of mind where we could consider figures that are within the range of our imagination. I confess that millions of money conveys very little idea to me; but I can understand 75 cents or $1 a year to so many families in this country. We have no recent information as to the number of families in Canada; but the Year Book of 1914 shows from the census of 1911 that the number is 1,517,742, and to which, of course, would have to be added the natural increase in the five years which have since elapsed. This would bring the number of families somewhere in the neighbourhood of 1,750,000. If the estimate of the Solicitor General is correct, it means that the 1,750,000 families, approximately, are paying something over $1,500,000. On the amount of investment in British Columbia orchards, which is $20,000,000, if our object was to protect that industry and that industry alone, we would be giving a bonus equal to 7½ per cent. I should like to get some figures from the Minister of Finance to show whether it would not be better to buy annuities for those people and charge them up against the consolidated fund and be done with the matter, than to put on a tax the extent or benefit of which we cannot estimate. We cannot be entirely sure that the money is not diverted to some other purpose than that which the Government intends. I am quite prepared also to give a vote to the apple growers of British Columbia or of all Canada of so much apiece, if it is thought desirable to do that, and we must have the proper information, in order to help them out of this trouble.

But if there has ever been anything to bring us to the point of view that any assistance must be given by way of bonus and not by a protective tariff, it is the very legislation which the minister brings before this House. We have on one side of the Rocky mountains farmers who ask that the duty be taken off a product similar to theirs, wheat coming into Canada, so that they may get a free market. Perhaps the time may come, I hope it will, when the farmers of British Columbia will ask that the United States market be thrown open to them—that their apples will be so much better than those to the south that they can go into that market and command it. But, if I know this Government aright, the Government would say: "Oh, no, there are the barrel men; we have to let them sell their barrels to the apple men, and we cannot permit you to make any arrangement which would enable you to place your apples in the American market." That is what they are doing in the case of wheat. They put it up to us in the West that the flour men must be looked after, and therefore no advantage can be given to the producers of wheat in the way of a wider market. Perhaps my effort to show that a bonus is much better than a protective tariff is foolishness in the eyes of the financiers on the Government side. At any rate, it is the faith in which I have been brought up, and the older I grow the better I like it. I shall be very glad indeed, as instances of this sort come up, if we can discuss them from the bonus standpoint, so that we shall know whom we are helping and to what extent.

I hope that the minister will withdraw this item, which proposes to put $1,500,000 of taxation upon our people, and to hand a

portion of it to the growers of apples. If he wants to help the growers, he should bring in some other scheme which will appeal more strongly to the sensible public, and of the working of which they will have more knowledge.

Mr. J. E. ARMSTRONG (East Lambton): I feel satisfied that the hon. member for Saskatoon (Mr. McCraney) was not present at the previous debate on the Budget or he would not have made some of the remarks he has just offered. During that debate a great many statistics bearing on this question were placed before the House, giving some idea of the extent of the apple industry. Figures were given showing that over $100,000,000 is invested in the apple industry in the provinces of Canada outside of one or two western provinces. I am sure we were all delighted to hear that even in the province in which my hon. friend (Mr. McCraney) lives, it is possible to develop a great fruit area. We all hope that in years to come a great fruit industry will be developed there. But I am sure the hon. gentleman is willing to live and let live, and when he appreciates the enormous amount of money that is invested in the apple growing industry, and the fact that the province of British Columbia purchases from Saskatchewan, Alberta and Manitoba grain, flour, hay, butter and other products of the farms to the extent of over $12,000,000 per annum, he will recognize that the province of British Columbia has some claim to consideration.

There is another statement which I think is worthy of consideration. While the province of Nova Scotia exports several hundred thousand barrels of apples out of a total export of 1,200,000 barrels per annum she will find herself up against transportation difficulties next fall. They are beginning to worry about that in Nova Scotia now. My hon. friend from Halifax (Mr. A. K. Maclean) would do well to revise the statement he made in connection with this Budget, and withdraw a portion of it, because, if he will read the latest number of the Co-operative News, the official organ of the fruit growers of Nova Scotia, dated March 2, he will find this statement:

> We regret to have noticed among our orchardists a pessimistic feeling about the future of our industry should the war continue. We are told that America has not interfered with us on the European market because she had a small crop, but that the reverse is likely to be the case next year. Do not let this matter worry you, for there are two facts that will very effectually handicap American competition. The first is the increased duty on American apples entering Canada. This has at the instance of the British Columbia fruit growers been increased to 90 cents per barrel.

Mr. A. K. MACLEAN: Is that a Nova Scotia journal?

Mr. ARMSTRONG: Yes, this is the Co-operative News, published in Halifax, N.S., the hon. gentleman's own riding. Surely he must know of it. Sixty-five per cent of the fruit growers of the province of Nova Scotia not only recognize it, but assist in editing it. It goes on to say:

> While the duty will be of material assistance to British Columbia, it wi'l a'so be of immense benefit to Nova Scotia, as far as her western trade is concerned, because it will effectually stop the dumping of the American "C" grade apple on the prairie market and will thus give us an opportunity to do considerably more business with the West than heretofore.

Mr. A. K. MACLEAN: What does the hon. gentleman think of that statement himself?

Mr. ARMSTRONG: What can any one take out of that statement but that the Nova Scotia fruit growers are delighted, and that they heartily support the proposition now before the House, whereas my hon. friend said they were not interested and would not support this proposition?

Mr. A. K. MACLEAN: I think the duty is absolutely valueless to apple producers in Nova Scotia, and I think that everybody of any reputation engaged in the business in that province will say so. My hon. friend told us a moment ago that Nova Scotia exports 1,200,000 barrels.

Mr. ARMSTRONG: The bulk of them go from Nova Scotia.

Mr. MACLEAN: It is a fact that Canada's total imports were about 260,000 barrels. If the duty had taken effect last year, it would not have furnished a market for those 1,200,000 barrels that my hon. friend speaks of.

Mr. ARMSTRONG: That may be all true.

Mr. MACLEAN: Is it not true?

Mr. ARMSTRONG: It would be necessary to find a market for the surplus apples that are produced in Nova Scotia, but last year and the year before there were between 300,000 and 400,000 barrels imported.

Mr. MACLEAN: No, 269,000 last year. My hon. friend is arguing that British Columbia should secure the Prairie Provinces as its market. He argued that way a moment ago; now he is arguing that Nova Scotia also should secure the Prairie Provinces as its market.

Mr. GRAHAM: And the Ontario men say the same thing.

Mr. MACLEAN: We cannot all get there.

Mr. ARMSTRONG: It would be folly to expect that Nova Scotia would ship enormous quantities of fruit to the West when she is able to export them abroad; but, in consequence of the shortage of tonnage to-day, it is impossible for her to export her apples at a satisfactory price. I would rather take the word of the fruit growers of Nova Scotia in their official organ than that of the hon. gentleman in regard to the benefits that are to be derived from the increased tariff.

Another statement which I wish to make is this: That one-half of the Fruit Growers' Association in the province of Ontario have already submitted an offer to the Grain Growers' Association and the farmers' associations in the western provinces to supply fruit at very little increase on the actual cost in the East. That offer is made to the Grain Growers' Association and its distributing agencies in the western provinces in order to assist them in obtaining the Ontario fruit at a lower cost than ever before. There is no doubt in my mind that they will be in a position to offer fruit to the western provinces at a cost less than that of years gone by.

Mr. GRAHAM: How will that help the British Columbia fruit growers?

Mr. ARMSTRONG: If the ex-Minister of Railways were in British Columbia to-day, what would he find? He would find Mr. Mussleman, the Secretary-Treasurer of the Grain Growers' Association, interviewing the different fruit growers' associations in the province with the object of entering into just such an arrangement as I have mentioned with the British Columbia fruit growers, so that fruit from British Columbia and Ontario may be brought into the western provinces and distributed by the Grain Growers Association and other farmers organizations at a less cost to the consumer than hitherto. Hon. gentlemen opposite should remember that the United States fruit trust have absolute control of the distribution and sale of fruit in those western provinces and I can not emphasize too strongly that they have been bleeding the people there. Naturally they are using every exertion to discourage the importation of fruit from British Columbia and Ontario into those provinces.

Mr McCRANEY: Does the hon. gentleman say that the fruit trust of the United States is bleeding the western provinces?

Mr. ARMSTRONG: I say it, and I say it advisedly.

Mr. McCRANEY: How do you work that out?

Mr. ARMSTRONG: If the hon. member had been here a few days ago when this matter was up for discussion, he would have heard the statement that over 500,000 acres of apple orchards have been planted in Washington, Oregon, and Idaho, that these trees are fast coming into bearing, and that even now the United States growers are producing apples in such quantities that they are unable to make a reasonable profit.

Mr. McCRANEY: How is that bleeding us?

Mr. ARMSTRONG: The hon. gentleman will find that it is the United States fruit trust who handle the fruit in his own town, and dictate the price to the distributors.

Some hon. MEMBERS: No.

Mr. ARMSTRONG: He will find that every car of that fruit is sent under special instructions, and that special prices must be paid before it is delivered.

Mr. TURRIFF: Will the hon. gentleman allow me to correct him?

Mr. ARMSTRONG: I do not need to be corrected on that score; I know what I am talking about.

Mr. TURRIFF: No, you do not.

Mr. ARMSTRONG: I know what I am talking about, and if the hon. gentleman wants further proof of it I can furnish him with all that is necessary to reasonably satisfy even the hon. member for Assiniboia. I have made the statement and I am prepared to stand by it: that the fruit trust, whose head office is in Winnipeg, have control of the distribution of fruit in almost all of the cities, towns and villages

in the western provinces. If the hon. member for Saskatoon will read Hansard he will find plenty of food for thought on this subject.

Mr. McCRANEY: The statement has been made to-day that the apples which are brought in from the United States are second and third grades. If that is so then we in the West who eat them can say that they compare very favourably with the first grades from British Columbia. I am not going to reflect upon British Columbia apples, but I do say that the men who reflect on the British Columbia apples are those who assert that the apples we get from the United States are of poor grade, because if they are then the first grade apples in the United States must be dandies. The British Columbia and the Western States apples are well packed and even in quality as we get them in the boxes, and that is why British Columbia and United States fruit has a preference over Ontario fruit in the western provinces. I say it with regret, because I come from an apple growing district in Ontario, that Ontario apples are not even, that the best apples are at the top, and that sometimes there are some pretty mean apples in the middle. Perhaps, if we have a few more elections like that which took place in Peel we will in future get better apples from Ontario. In my hotel here in Ottawa the other day I was eating an apple and I asked the waiter if he could find out where it came from, because it was such a good one, and he told me it was a British Columbia apple. Why is it that in this very province British Columbia is supplying the hotels with apples?

Mr. GREEN: Because the apples are better.

Mr. McCRANEY: Of course they are; that is right.

Mr. J. E. ARMSTRONG: I want to say in answer to the hon. gentleman that the most careful inspection of Ontario apples is going on every year during the packing season, and the man in charge of the fruit association is giving his very best attention to that work. I am, therefore, sure that it would not be possible for inferior fruit to be shipped to the Northwest. At any rate, I would hope not.

Mr. TURRIFF: I wish to correct the statement of the hon. member (Mr. Armstrong) that the apple trade of the Prairie Provinces is in the hands of the United States fruit trust. I say that is absolutely not the fact. In my own constituency there are merchants in the different towns who bring in fruit by the carload, who send to Ontario, British Columbia, and the United States and get prices, and they buy whereever they can get the right quality of fruit to the best advantage, and they sell it where they like, and they have no connection with, and are under no control of any United States fruit trust.

Mr. J. E. ARMSTRONG: The hon. gentleman has made the statement that they have not brought in apples from the United States, but merely from Ontario and British Columbia; that is a very different question.

Sir THOMAS WHITE: Listening to the observations of hon. gentlemen opposite, I have been thinking that there has been much cry and little wool. It seems to me we have had a good deal of talk about a very small matter. In order that hon. gentlemen opposite, who have taken part in the debate, and who appear to be really concerned about the imposition of this tax, may sleep to-night, I would like to assure them that even on the basis of the present importation, assuming that the extra duty will have to be paid, which will not be the case, in the very next item which we shall consider, namely, the item in reference to crude petroleum in which the duty on heavy distillates used largely by the farmers in the West is reduced from two and a half to one-half of a cent per gallon, the reduction more than equals, as far as the farmers of the West are concerned, the extra duty upon apples.

Mr. McCRANEY: You had better not mix crude oil and apples.

Sir THOMAS WHITE: You cannot mix them, but I mention that in order to relieve the consciences of hon. gentlemen opposite. While there is a small increase on apples, really inconsequential as far as money payment is concerned, there is a reduction in the next item that will more than equalize it.

Mr. TURRIFF: I would like to ask the minister if there is not also an increase in one of the oil items. While it may not apply so much to the farmers, and while it applies particularly to the railways, if you increase the cost of fuel oil to the railways, you increase the cost to the farmer.

Sir THOMAS WHITE: Perhaps my hon. friend would raise that point on the next

item. I do not believe myself that the Railway Commission would, on that argument, order an increase in freight rates.

Mr. McCRANEY: Perhaps the minister would tell us to what extent crude oil is used in agriculture and in other industries.

Sir THOMAS WHITE: When we reach the next item.

Hon. FRANK OLIVER: When the minister was discussing this increase in the duty on apples in his Budget speech he gave the impression that it was a provision especially for the apple-growing industry of British Columbia, but from the course of the discussion to-day I should incline to the view that instead of this item being specially intended to improve the position of the apple grower in British Columbia, it was simply following out the general line of policy which has been pursued by this Government since it took office, in the way of placing more completely in the hands of their friends the middlemen, an important article of the food of the people. As has been observed by speakers to-day, especially on the other side of the House, this duty applies to the whole of Canada. It affects not only the people of the Prairie Provinces as consumers, but the people of all Canada as consumers, and, according to our friends who come from apple-growing districts in other provinces, it affects not only the apple growers of British Columbia, but the apple growers of the whole Dominion. Therefore we are bound to consider this legislation not as a local, but as a national question. Speaking of this increased duty in his Budget speech, the minister said:

9 p.m.

We regard this duty as indispensably necessary for the preservation of the apple-growing industry of Canada, and particularly that of British Columbia.

So far as British Columbia is concerned, the apple-growing industry has grown from 200,000 barrels four years ago to nearly 800,000 barrels last year.

Mr. GREEN: What was the cause of that increase?

Mr. OLIVER: It does not concern me what the cause was: the fact is what I am concerned with. And the fact is that the apple-growing industry grew from 200,000 barrels four years ago to nearly 800,000 barrels last year. That is not disputed. We also find that the country at large exported over 1,000,000 barrels of apples, and imported only a little over a quarter of a million. Therefore, whether we take it in regard to the industry throughout Canada as a whole, or in regard to the industry as respects British Columbia alone, of all industries in Canada the apple industry seems to stand least in need of special tariff legislation or special tariff consideration. Canada is an apple exporter, and if the course of trade were permitted to go in the natural channels and in the natural way, the price to the producer would be ruled by the export price; and, that being the case, the producer would not expect to benefit, and would not benefit by the imposition of an extra duty. The only purpose of an increase in duty where the article which it is proposed to protect is an article of export rather than of import is for the purpose of enabling those who are in control of the trade to take advantage of fictitious or artificial prices at the expense of both the producer and the consumer. Just as in the Canadian milling industry the miller buys his wheat from the Canadian producer at a less price than his competitor in the United States, and sells his finished product to the Canadian consumer at a higher price, so, by this legislation it is proposed to put those who are in control of the apple trade in Canada in the position of paying what they please to the producer, and charging what they please to the consumer.

This has been spoken of as a trifling matter. But at this time, when the country is compelled to assume ever-increasing and already enormous financial obligations, when the necessity of increasing the efficient production of the people by lightening their burdens is the first duty of the Government of this country, it is no trifling matter to bring forward legislation for which there is no reason or excuse except that it is for the purpose of enabling those engaged in the apple trade still more thoroughly to control both the buying and the selling markets of this country. This is a matter affecting not only the prairies of the West, but every citizen of this Dominion. This legislation affects the citizens of Toronto, and Ottawa, and Montreal, surrounded as they are by apple orchards, just as much as it affects the citizens of the prairies of the West, because its purpose is to put the supply of his requirements under the control of an organization that will take more out of him than it can take to-day.

It is said the consumer will not have to pay more. But it is also said, on this side of the House, and it cannot be denied, that if the consumer does not have to pay more there is no possible purpose in the legislation. For the producer certainly is not going to get more unless either the consumer pays more or there is some readjustment of the conditions intervening between the producer and the consumer, and this latter is neither contemplated nor suggested by this legislation. At the present time, in the province of Alberta, the retail price of apples is approximately $2.25 for a box containing 40 pounds of apples. That is equal to $6.75 a barrel. Anybody must admit that that is a good stiff price for apples, and everybody will say that if the producer got his fair share out of that price he would be doing very well and would not need to ask for beneficial legislation. The apple orchards of British Columbia are situated within between four hundred and five hundred miles of the city of Edmonton. At Salmon Arm, on the main line of the Canadian Pacific railway, during the past season, the apple growers received 80 cents a box for their apples—for which apples we in Edmonton paid $2.25 a box. The year before, these growers received 22 cents a box—and we in Edmonton paid the same, $2.25. At Penticton, last year, the growers of apples got an average of 85 cents a box, and the year before the average was 40 cents a box. Now, Penticton is a hundred miles further from Edmonton than Salmon Arm, and it is not on the main line, and yet the grower at Penticton received a better price than the grower at Salmon Arm.

Mr. GREEN: I think there is a misunderstanding there. The price in one case is for the apples on the tree, and in the other case for the apples boxed and ready for shipment.

Mr. OLIVER: Did the price of 22 cents a box include the box?

Mr. GREEN: No.

Mr. OLIVER: Did the price of 80 cents a box include the box?

Mr. GREEN: Yes.

Mr. OLIVER: Then, we will have to take the opinion of the man in the business, which information came by wire yesterday in reply to an inquiry. His telegram reads:

Salmon Arm fruit ranchers selling through Okanagan United growers, received for No. 1 apples, 1915, 80 cents per box net. In 1914, 22 cents per box, net.

If the box is included in one case it is included in the other, and if it is excluded in one it is excluded in both. The hon. gentleman can have it either way he likes, but he cannot have it one way in the one case and the other way in the other case. I have a telegram from Penticton, dated yesterday, which says:

Apples per box, No. 1, 85 cents last season; year before, 40 cents.

The point I make is that the price we pay at Edmonton, the consumer's price does not govern the price received by the producer, as matters stand to-day. And how it is expected that the addition of 30 cents a barrel to the protective duty is going to better that condition, I cannot understand, when no provision is made for securing any change. If to-day the transportation companies and distributing agencies take the difference between 80 cents and $2.25, are they not going to take the difference if the duty is increased by 30 cents a barrel? There is no manner of doubt that the transportation companies and distributing agencies to-day take an undue toll from the producer and from the consumer. They do that under a protective advantage of approximately 60 cents a barrel. Will the Minister of Finance or the hon. member for Kootenay (Mr. Green) tell us that they are not going to pursue the same course if their advantage is increased by 30 cents a barrel? Will the hon. member for Kootenay or anybody else tell us how the addition to the duty of 30 cents a barrel will make them less likely to take advantage of the producer at one end and of the consumer at the other?

Mr. GREEN: It is going to make this difference, that the producer will have the market to himself, and will be able to make better market arrangements. He will get into direct communication, and will deal direct with the consumer.

Mr. OLIVER: If he can do that with an additional duty of 10 cents a box—for that is what this additional duty will amount to—why cannot he do it without that addition?

Mr. STEVENS: For the simple reason that at any time the growers in the Northwestern States may flood the market with consignment cars at prices as low as 30 cents a box. Hundreds of carloads are

shipped in in that way. So that the grower in the Okanagan valley has not got and cannot establish a market to which he can regularly ship his fruit, because he does not know what moment he will get a wire shutting off his shipments. Nobody can do business under those conditions.

Mr. OLIVER: I can assure my hon. friend that if these remarkably cheap apples came to Edmonton, no Edmonton citizen ever got the benefit of them. We were paying the standard prices for apples, wherever they came from.

Mr. GREEN: Perhaps they came from the American fruit trust.

Mr. OLIVER: The American fruit trust is the Canadian fruit trust, as far as we are concerned; it is absolutely one and the same thing. The fruit trust that is squeezing the Okanagan grower and the Edmonton buyer at 60 cents a barrel protection can squeeze them just as much at 90 cents a barrel protection, and certainly it will do so. Is it not a fact that the year before last fruit was rotting on the ground in the Okanagan?

Mr. GREEN: It is.

Mr. OLIVER: Is it not a fact that we were paying $2.25 for apples at that very time? Yet the Minister of Finance proposes to put 30 cents a barrel additional advantage in the hands of the American fruit trust. They cannot do worse to the grower in the Okanagan than let his fruit rot on the ground, but they can take 30 cents a barrel more out of us; that is the only purpose that will be served.

Mr. J. E. ARMSTRONG: If the producers in British Columbia and Ontario, through their Fruit Growers Associations, make definite arrangements with the farmers' distributing agencies in the western provinces, is there any possibility of any such condition arising in the western provinces as that to which my hon. friend has referred?

Mr. OLIVER: I do not know what may occur as between the apple growers and the farmers' associations. I only know what is occurring now, and what has occurred in the past. The increase of the duty by 30 cents a barrel is not going substantially to change the conditions except to the advantage of the trust. My hon. friend says that if this duty is increased the apple grower of British Columbia will be able to market his own fruit in the West. I do not know whether he will or not, but, according to the figures, it seems to me that he is perfectly able to do that now. We will allow him 80 cents a box for his apples; it is not claimed that he gets any more.

Mr. GREEN: It costs $1.08 a box to produce them.

Mr. OLIVER: That is not our fault. If it costs him so much to produce them, the only answer is that he is not growing apples in the right place. The apples exported from Canada, over a million barrels, are valued at $2.40 a barrel, or 80 cents a box. If the British Columbia apple grower cannot produce apples at the price at which the Nova Scotia apple growers produce for export, then he is working under wrong conditions and has no right to expect the people of the rest of Canada to maintain him in an industry the location of which he has not chosen wisely. As to my hon. friend's suggestion that apples cannot be produced in British Columbia at less than $1.08 a box, I should be out of order if I characterized it as absurd; certainly it is not such as coincides with my view. If there is any place on the North American continent where apples can be grown more cheaply than in the district of Salmon Arm, I have never seen it. There is no reason why the British Columbia apple grower cannot compete on equal terms with the grower of apples in Washington and Oregon.

Mr. STEVENS: They are all going broke in Washington and Oregon.

Mr. OLIVER: My hon. friend says they are all going broke. Well, they are selling apples, and that is what the consumer of Canada wants.

Mr. STEVENS: It is the receivers who are selling the apples.

Mr. OLIVER: The land that these men are growing their orchards on is worth more to-day than the land in the Okanagan valley; my hon. friend cannot buy it for the same money that he can buy land in the Okanagan valley. That is the extent to which they are going broke. I was giving the committee some figures; I shall now proceed with them. We will allow the apple grower eighty cents a box; if he cannot grow apples for that he ought to be doing something else. We will allow 38 cents a box for freight, 15 cents for the cost of the box, 12½ cents for the cost of wholesale distribution, and 12½ cents for the cost of retail distribution. According to these figures, we should be getting our apples in

Edmonton at $1.60 a box, while we are paying $2.25 a box. That is to say, there is a margin of 65 cents between the reasonable cost of these apples at Edmonton and the amount that we have to pay.

Mr. GREEN: The cost of package and packing is 48 cents a box.

Mr. OLIVER: My hon. friend will have to accept my protest against his figures. They are just as far out of the way as his assertion in regard to the cost of growth.

Mr. GREEN: My figures are those of the Fruit Growers' Association of British Columbia, and of Prof. Lewis, an expert of the United States Government.

Mr. OLIVER: If it costs the British Columbia grower so much to grow his apples and so much to pack them, he ought to be in some other business; he has no right to ask the people of Canada to maintain him in a losing industry. As a matter of fact, we are to-day paying 65 cents a box for apples in excess of a fair price, allowing everybody everything to which he is entitled. If that is not a sufficient margin to enable the Fruit Growers' Association of British Columbia to find their own markets on the prairies, it simply argues that they have not enterprise, or that they are under control and management that does them absolutely no credit. They have no right to ask this Parliament to tax the whole population of Canada in order that the fruit combine and the transportation interests, not the fruit grower, shall get more money. I have given the transportation rate at 38 cents a box. That is 38 cents for carrying 50 pounds of freight for 400 miles. Wheat is carried from Winnipeg to Port Arthur over 400 miles, at 6 cents a bushel: that is, 10 cents per cwt. It costs 7½ times as much to bring the same weight of apples from Salmon Arm to Edmonton as it costs to take a bushel of wheat from Winnipeg to Port Arthur, the same distance. Now, admitting that apples should pay a higher rate than wheat, we do not admit that 7½ times as much is a reasonable rate. The fact is that the apple industry has been exploited from start to finish, just as the mining industry and many others have been. The land speculator has expected to make a fortune out of the price of land, the transportation companies have expected to make huge profits out of the transport of freight, and then the fruit dealer comes in and expects, and realizes his expectation, to make more than the transportation company or the fruit grower out of the unfortunate consumer. My friend the Minister of Finance proposes to legislate to add 30 cents a barrel to that tariff condition which enables this robbery to be perpetrated, not by the unfortunate man who is growing fruit in British Columbia, but by the fruit dealer and the transportation companies who handle the transportation and distribution of the fruit.

When the Minister of Finance mentioned this proposed fruit duty in his Budget speech, he spoke of the fruit industry of British Columbia. It is true that there is a fruit industry of British Columbia, but it is in a very small part of British Columbia; and the greater part of that province is in exactly the same condition as the Prairie West in regard to the production of fruit. The miners of Fernie in the constituency of my hon. friend (Mr. Green) the constituents of my hon. friend from Vancouver (Mr. Stevens), the constituents of my hon. friend for Victoria (Mr. Barnard), and those of my hon. friend from Comox-Atlin (Mr. Clements) will all pay this extra price. My hon. friend who represents the miners of Nanaimo (Mr. Shepherd) will have to explain to those miners why he has been instrumental in adding to their cost of living, which already has climbed so high, in the name of the fruit growers of British Columbia—who will not receive the benefit of the duty that is being imposed. This duty is just as much for the benefit of the railway companies and the fruit combine as the duty on flour is a duty on behalf of the railway companies and the milling industry and not on behalf of the farmer who produces the wheat. It is in the last degree objectionable that the attempt should be made to show that one section of the country must live at the cost of all the rest. If that is a fact, it is an unfortunate condition. But it is not a fact and never was a fact. The fruit-growing area of British Columbia is well adapted to the production of fruit. It is well situated in relation to markets, and if it is not to-day prosperous it is not because of a lack of natural conditions for production, or location in relation to advantageous markets, but it is because it is in the same position as the grain-growing industry of the West in relation to the milling industry. It is in the hands of a combine which exercises the advantage that the tariff gives it to levy an unjust toll upon the consumer on the one hand and upon the producer on the other, and every addition that is made

to the tariff increases the power of the combine and its ability to increase its unjust toll.

267a. Crude petroleum in its natural state, ·7900 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories—British preferential tariff, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 7½ per cent.

Mr. A. K. MACLEAN: Would the minister give rather a comprehensive explanation of the effect of this change in the tariff, perhaps discussing both items at the same time. There is a reduction in the tariff, which some hon. gentlemen are at a loss to understand as expressed in the amendment.

Sir THOMAS WHITE: The former item No. 267 read as follows:

Petroleum (crude) fuel and gas oils, ·8235 specific gravity or heavier, at 60 degrees temperature, customs tariff free.
Customs tariff, 1915—British preference, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 7½ per cent.

I think I can state the matter most simply by saying that fuel oil was formerly on the free list; that last year the War Revenue Act was made to apply to it, and that consequently, before the present Budget was brought down, the duty on fuel oil was 5 per cent British preference, 7½ per cent intermediate tariff and 7½ per cent general tariff.

Mr. NESBITT: That means crude oil?

Sir THOMAS WHITE: Fuel oil is the ordinary term.

Mr. McCRANEY: Would the minister say just what he means by fuel oil?

Sir THOMAS WHITE: I understand that after the various processes of refining there is a residue. That residue is known as fuel oil. It is used as fuel. It is in competition with coal. It is used in locomotives and steamboats and by manufacturers, as fuel, and it is used in some provinces for ordinary heating purposes. It is fuel, it is the residue.

Mr. McCRANEY: Does the item include gasolene?

Sir THOMAS WHITE: No. I will tell my hon. friend later what it does not include. The best way to describe the article we are dealing with now, because this oil schedule is quite technical and complicated, is to describe it as fuel oil.

Mr. McCRANEY: There are certain traction engines which are advertised throughout the West as being oil fuel engines; is it the oil for these engines to which the minister refers?

Sir THOMAS WHITE: It will include oil known as heavy distillates used in heavy traction engines, internal combustion traction engines. The duty upon these heavy distillates, which are used in heavy combustion traction engines, was formerly 2½ cents a gallon, plus 7½ per cent war tax. We have reduced that duty from 2½ cents to half cent per gallon, without any war tax. Therefore, the effect of the change, so far as the oil schedule is concerned, is that on fuel oil, which was free but for the war tax, there is now a duty of one-half cent per gallon. The duty on heavy distillates, in which my hon. friend's constituents are interested, and which was formerly 2½ cents per gallon, plus the war tax of 7½ per cent, is now one-half cent per gallon.

Let me now explain what is not the effect of the change, because there has been a misunderstanding about the matter. Illuminating oil—no change in tariff; lubricating oil—no change in tariff; gasolene, naphtha, and benzine—no change in tariff. There are about 1,000,000 gallons of the heavy distillates, to which I referred a moment ago, annually consumed in Canada, chiefly in the Prairie Provinces; so that the tariff reduction from 2½ cents to one-half cent a gallon means a substantial reduction, so far as the tariff duties are concerned, in the matter of distillates. I do not know that I have covered all the ground which my hon. friend from Halifax (Mr. Maclean) had in view, but I think I have substantially stated the effect of the changes which we propose.

Mr. A. K. MACLEAN: Do I understand that the oil used as power by steamships and engines was previous to this tariff subject to the war tax only?

Sir THOMAS WHITE: That is right.

Mr. MACLEAN: What is the difference between the half cent per gallon and what now comes under item 267?

Sir THOMAS WHITE: It is an increase from about one-third of a cent to one-half cent.

Mr. MACLEAN: That is the difference between the 7½ per cent and the half cent?

Sir THOMAS WHITE: Yes. I may say that by way of revenue we expect to get about $500,000 from this tax.

Mr. MACLEAN: What is the quantity usually imported?

Sir THOMAS WHITE: It is difficult to separate the items, to which we have been referring, from other items that are included in the trade and commerce returns. I would estimate the quantity imported at about 100,000,000 gallons.

Mr. NESBITT: The minister is now speaking of oil for locomotives?

Sir THOMAS WHITE: Fuel oil for locomotives and steamships, and for heating purposes; in fact, it is fuel just as coal is. I understand it is also used in the manufacture of munitions.

Mr. A. K. MACLEAN: What is the cost of that oil to railway and steamship companies?

Sir THOMAS WHITE: From 2 to 4 cents a gallon.

Mr. GRAHAM: Do I understand that the duty on gasolene is not changed?

Sir THOMAS WHITE: There is no change as regards gasolene.

Mr. GRAHAM: I understand from what the Solicitor General said that there was a change.

Sir THOMAS WHITE: There have been several mis-statements in the course of the debate. I did not hear what the Solicitor General said, but, for example an hon. gentleman on the other side thought the change referred to illuminating oil, and he made a rather touching domestic reference to the child being deprived of light when going to bed. The child will be able to go to bed as usual, because there is no increase in regard to illuminating oil. Not only will there be additional revenue, but I believe the change will be of some material advantage to the great coal industry in British Columbia.

Mr. A. K. MACLEAN: In what way?

Sir THOMAS WHITE: My hon. friend from Halifax knows how Nova Scotia treasures the duty upon coal, and how important that is regarded by all good Nova Scotians. So this duty will, I think, have an important effect upon the coal mining industry of British Columbia.

Mr. A. K. MACLEAN: Those who have hitherto consumed oil, must cease using as much in the future, if any benefit is to accrue to the coal industry. The minister informed us that this particular oil fuel was consumed by the railways and steamships on the Pacific coast. Which of these two will be consumers of coal hereafter—the railways, or the steamships, or both?

Sir THOMAS WHITE: I think that it is not probable that the steamship companies will discontinue the use of fuel oil; nor do I think that the railways are likely to discontinue its use. But for the future, I think the tendency will be to use coal more than fuel oil; that is to say, there will be more of an equality, so to speak, in the use of coal and fuel oil. I may say that, of late years, the use of coal in the province of British Columbia, to take that province as an example, has steadily declined, while the certificates show, on the other hand, that the use of fuel oil has been on the increase. The figures are rather startling.

Mr. NESBITT: Some people say that the coal of British Columbia is not satisfactory for steamship purposes. Does the minister know whether that is so or not? Why has there been a general increase in the use of fuel oil?

Sir THOMAS WHITE: I think the reason is that they have been able to get the fuel oil so cheaply. It has come in free of duty. My hon. friend knows that in the province of Ontario there has frequently been an agitation by the manufacturers for free coal, but, as I said to my hon. friend from Halifax, Nova Scotia is very much interested in the duty on coal. Fuel oil has been on the free list, and the use of it has greatly increased in British Columbia. On the other hand, as I have stated, the amount of coal used has steadily declined, and coal mining is one of the most important industries of British Columbia. The production of coal on Vancouver Island since 1911 has been:

	Gross tons.
1911	1,443,000
1912	1,250,000
1913	730,000
1914	814,000
1915	786,000

So that in 1915 the production of coal on Vancouver Island was about half that of 1911.

Mr. CARVELL: Would the minister give the statistics as to the importation of fuel oil during these years?

Sir THOMAS WHITE: The difficulty is in separating them, but I will give some figures which will throw light upon it.

Mr. GRAHAM: While the deputy is finding those figures, I might just say that the duty will be quite a heavy tax on the Grand Trunk Pacific and Canadian Pacific, while it will add revenue to the Canadian Northern men who own the coal mines.

Sir THOMAS WHITE: I am told, although I do not know, that the Canadian Northern men do not own the coal mines.

Mr. GRAHAM: I am afraid you were told wrongly.

Sir THOMAS WHITE: However, I may say to my hon. friend that in the last few years we have received a great many memorials from the coal mining districts of British Columbia, boards of trade, and others who are very much interested in this subject. The amount which will be paid by the Canadian Pacific and the Grand Trunk Pacific with respect to this duty will not be large for such corporations. There is another consideration I mentioned at the outset that weighed in a very considerable measure with me, and that is that we shall derive a revenue of $500,000 from this tax.

Mr. MACDONALD: From what particular source?

Sir THOMAS WHITE: That raises a very fine economic question as to who pays the duty. Some would argue that the oil producers in the United States would pay the duty, and others would argue that the railway and steamships companies, and some other interests in British Columbia, would pay it.

Mr. MACDONALD: What do you think about it?

Sir THOMAS WHITE: That would raise another question, such as the question as to who pays for the German navy. But we would get very far afield if we took up that question.

Mr. GRAHAM: Through what medium does the minister expect to get it?

Sir THOMAS WHITE: The customs office.

Mr. GRAHAM: From whom does the customs office expect to get it?

Sir THOMAS WHITE: That is the same question again.

Mr. GRAHAM: It is interesting to consider the effect it will have on different interests. I do not imagine the Grand Trunk Pacific will be specially hit by the new war tax, but the Canadian Pacific will be. I do not imagine the Canadian Northern will be struck very hard by it.

Sir THOMAS WHITE: Do you not think they will have 7 per cent on capital?

Mr. GRAHAM: I am inclined to think not at the present time. But the two other companies that are using oil for fuel in the mountains, for the protection of the forests and possibly for their own benefit, will have to pay an extra price for their oil, or else they will have to buy coal from the Canadian Northern or the interests that own the Canadian Northern. I am not sure it will work out just as the minister expects. If the revenue is to be derived it will be derived from one interest, the Canadian Pacific, which is being pretty heavily taxed for war purposes anyway on account of its position financially. If a revenue is not to be derived from this company it may be because they do not use oil, that they will do away with their oil consumers and use the coal that their competitors have to sell. I am not sure that my hon. friend is not working out a plant for one interest as against another.

Sir THOMAS WHITE: I am quite sure I am not working a plant and that I expect to get $500,000 of revenue.

Mr. GRAHAM Then they will not be burning coal; they will stick to oil.

Sir THOMAS WHITE: I think the Canadian Pacific, the Grand Trunk Pacific and Canadian Northern, if they use oil, can well afford to pay this tax. At all events, I shall not lose any sleep about their ability to pay this or any other tax.

Mr. TURRIFF: Will the minister tell us to what extent a ton of oil compares with a ton of steam coal for power purposes on a locomotive?

Sir THOMAS WHITE: I do not believe we have that information. It is a question that we could hardly anticipate. In answer to the inquiry of the hon. member for Pictou as to the imports, I find that 196,000,000 gallons of petroleum, crude fuel and gas oils were imported last year and about one-half of that would be fuel oil. In round numbers that would be 100,000,000 gallons as I stated.

Mr. MACDONALD: I find in the Trade and Navigation Return for 1915 this item:

Crude petroleum, gas oils, other than napthha, benzine and gasoline, lighter than ·8235 but not less than ·775 specific gravity at 60 degrees. . . . 64,057 gallons.

The duty collected on this importation amounted to $960. If that is correct my hon. friend is not going to get very much money out of it.

Sir THOMAS WHITE: My hon. friend is mistaken. The articles to which he refers are not embraced in this item. It is item 267 that we are dealing with. There is a large consumption of fuel oil in Ontario in connection with the manufacture, among other things, of munitions.

Mr. A. K. MACLEAN: If the purpose of this tariff change is to secure revenue, it would be more favourably considered by the House than if it had another object. I think the minister should instruct the House as to whether this change is to be permanent or whether it is his intention to remit the taxation, and revert to the statu quo after the war, or the necessities as to increased revenue have passed. There are many disadvantages, from the standpoint of British Columbia even, in changing the tariff upon oil. The figures which the minister submitted to us about the coal industry would indicate a gradual falling off in coal production, but I assume that that corresponds to the general decline in business in British Columbia during the past few years. I would expect, although I cannot establish the statement by any authority, that all lines of industry had declined in that province during the past few years and accordingly coal production has fallen off. With the resumption of British Columbia's former prosperity, which I hope will come some time in the near future, we probably will see the coal production back to the old figures. But this particular product, fuel oil, we are informed, is used by steamships and railways and it will be interesting to inquire why they adopt that method of power in preference to coal.

As regards the Pacific coast, I understand that most of the tonnage entering Victoria and Vancouver use fuel oil; at least, a great many of the steamers do, which is not true of shipping on the Atlantic coast. Fuel oil is a more efficient and cheaper power producer than coal. Most of the freighters built in Great Britain during the last few years have been equipped for fuel oil in preference to coal, and we shall see more of that in the future than in the past. Now, if shipping on the Pacific coast uses oil as power because of its greater efficiency and lesser cost, it is not desirable from the standpoint of the ports of British Columbia to compel shipping to use the more expensive power. I understand that a delegation from British Columbia has been, or is coming, to Ottawa to urge the Government to assist in providing tonnage for the Pacific coast, which they are sorely in need of at the present time. If that is true, it is not sound business to increase the operating costs of ships by compelling them to use a power which is more costly than fuel oil, and also less desirable from many other standpoints. I do not think it will be conferring any advantage upon British Columbia to compel them to use coal instead of fuel oil on their ships and railways. The hon. member for South Renfrew (Mr. Graham) has stated, and it has been stated on a great many occasions in the past, that at least the Canadian Pacific railway have been using fuel oil in the mountain region for some years, mainly to prevent fires, which of course

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are more likely to occur when coal is used. I understand that they made this change largely at the suggestion of the governmental authorities of British Columbia, owing to the frequent fires caused by locomotives, and which resulted in great losses to the lumbering industry in that province. If, a few years ago, public opinion in British Columbia compelled the Canadian Pacific railway to adopt fuel oil as its power, I do not think it is fair to do anything which might compel the road to revert to coal, as that would increase its operating costs.

We have had a lengthy discussion this afternoon and evening about apples, and the representatives of British Columbia have claimed the Prairie Provinces as their natural market. They startled the House, and the country I imagine, with the figures they gave off the cost of production of apples. To those figures there is to be added the cost of freight. Now, if this change in the tariff means an addition to the power cost of railways, I suppose that in some way or other this extra cost will be charged against the traffic, and just as likely as not apples will have to bear its share along with the other commodities carried by the railway. So in that respect you would be conferring no advantage on British Columbia, even if this change in the tariff indirectly caused a little increase in the consumption of British Columbia coal. If the minister is proposing this change in the tariff for the purpose of revenue only, I can see that he has established a case, although I do not say that it

cannot be well answered. But if he proposes this change upon other grounds I think it is not reasonably supported by all the facts and circumstances, and I do not think the change he proposes is justified or justifiable. I think we should have a declaration from the minister now, whether or not he proposes this as a revenue measure. It does look as if it were intended as a permanent measure. If so, we on this side of the House should be inclined to look at it from an altogether different angle from what we should if it were just a temporary measure, and for revenue purposes only.

Sir THOMAS WHITE: As I have already stated we should derive a revenue of about $500,000 from this change. That is a substantial amount and it is very desirable that we should obtain it at this time. I also stated that the change would confer an incidental protection which I think is much needed by the coal mining industry of British Columbia. As to making statements whether a tariff change is permanent or otherwise, I think it exceedingly inexpedient for a Finance Minister to make any such statement, and I believe it has never been done. The tariff of this country is revised and changed from time to time, and when changes are made they are announced in the Budget in the usual way. This suggested change will give revenue and will, I believe, be of benefit to the coal mining industry of British Columbia. It seems to me that the two reasons I have given are pretty good grounds for this change and I believe it will meet with public approval.

Mr F. H. SHEPHERD (Nanaimo): The hon. member for Halifax (Mr. Maclean) evidently fears that the proposed tax of half a cent a gallon on fuel oil will be a hardship and have disastrous results. I may tell my hon. friend from Halifax that the imposition of the half-a-cent duty does not bring coal on a parity with fuel oil as it existed previous to the invasion of fuel oil in the province in the year 1910. I will endeavour to treat this matter as impartially as I can. Naturally I represent the industry of my constituency, namely, the coal mining industry of Vancouver Island. The invasion of fuel oil has very seriously affected the industry of Western British Columbia and incidentally of Eastern British Columbia; so much so that if the importation of fuel oil continues on the same scale as for the last five years, the very extensive coal mining industry of Vancouver Island will be seriously threatened. If the committee will bear with me I will give some figures which will throw considerable light on the matter and supply information which from the questions that have been asked I presume hon. gentlemen have not at hand. The production of coal in 1910 was 99 per cent of the total fuel production of the province. In 1914 it had decreased to 76 per cent, or in other words the industry had been invaded to the extent of a quarter of the total.

Going back to the year 1905, the committee will observe, there was a gradual increase in the output of coal in British Columbia, an increase, I may state, which has gone on continuously since the very inception of the industry at a uniform ratio, and which continued until the year 1910, when the invasion of fuel oil commenced. If hon. members will form a mental profile of the figures I shall give, they will have a graphic idea of what the invasion of fuel oil is doing to the coal mining of British Columbia. The following figures show the output of coal in tonnage and value for the years given:

Year.	Tons. (2,240 lb.)	Value.
1905	1,384,312	$4,152,936
1906	1,517,303	4,531,909
1907	1,800,067	6,300,235
1908	1,677,849	5,827,472
1909	2,006,476	7,022,666
1910	2,800,046	9,800,161
1911	2,193,062	7,675,717
1912	2,628,804	9,200,814
1913	2,137,483	7,481,190
1914	1,810,967	6,338,385
1915	1,546,664	5,313,240

The amount for 1915 is the estimate of the provincial minerologist, as the returns were not available up to the time of the issue of the bulletin. These figures show a decrease of over 1,200,000 tons in 1915 as compared with 1910. The corresponding importations of fuel oil during these years, except, of course, from 1905 to 1909, inclusive, were as follows:

Year.	Gallons.
1910	5,941,746
1911	7,299,727
1912	20,454,309
1913	79,233,053
1914	110,547,653

Mr. A. K. MACLEAN: Who were the principal consumers of this oil?

Mr. SHEPHERD: The railway companies, the steamboat companies plying in the coasting service, manufacturers, and, to some extent, for the heating of large buildings. Probably the chief consumer is the

Canadian Pacific railway, which my hon. friend quoted in his remarks. I shall refer to that later. To further show how seriously the invasion of fuel oil has affected the coal industry, I will give a statement of the number of persons employed in the several years:

Year.	Number directly employed.
1910	7,758
1911	6,873
1912	7,130
1913	6,443
1914	5,732

That is, the employees in 1914 were fewer than those in 1910 by more than 2,000. The coal displaced by oil in these several years is as follows:

	Tons.
1910	32,011
1911	46,347
1912	129,869
1913	503,067
1914	701,889

The value of the coal displaced in 1914 was over $2,000,000.

Mr. CARVELL: Does that mean the loss of production in the mines, or the actually reduced consumption on the vessels and in other places?

Mr. SHEPHERD: That is the equivalent of the oil imported during that year. Of course, oil is duty free and pays no royalty. The coal mines of British Columbia paid the following royalties in the years cited:

Year.	Royalty.
1910	$315,220
1911	230,479
1912	285,734
1913	258,736
1914	218,216

The percentage of coal to the total fuel produced in each of these years is as follows:

	Per cent.
1910	99
1911	98
1912	95
1913	83
1914	75

Now, various theories have been put forth as to why the invasion of fuel oil occurred. One of the favorite reasons is that it was largely due to the labour troubles on Vancouver Island. But that is not the case. It is true that the labour troubles in Vancouver Island may have accelerated the use of fuel oil, but by no means is it responsible for the enormous invasion that has occurred. The labour troubles commenced in September, 1912, but one company only was affected until May, 1913, when the strike spread to the other mines. But shortly afterwards the mines where the strike started were working to almost their full capacity, and at no time was the whole of the output cut off. The importation of fuel oil rose from over 7,000,000 gallons in 1911 to 20,000,000 gallons in 1912. The labour troubles did not commence until the year was well advanced; therefore, the output of coal was not seriously curtailed. The true reason for the increased importation was the rapid extension of oil-burning installations, which was in keeping with plans, conceived and determined upon long before the labour troubles of Vancouver island commenced. This is especially true of railway and transportation companies. The operators asked not that the proposed duty should be prohibitive, but that it should be sufficient to place the coal mining industry upon something like a parity with its competitors. It is not intended or supposed that the large consumers, or, for that matter, any of the consumers who have gone to the expense of making oil-burning installations, will return to the use of coal. But we do believe that the imposition of the half cent per gallon duty on fuel oil will act as a deterrent upon those who otherwise would have entered upon the use of fuel oil.

Mr. OLIVER: What is the cost of the imported fuel oil?

Mr. SHEPHERD: The cost of imported fuel oil delivered at the wharf in Vancouver is about two cents per gallon. It requires about three and a half barrels of oil to equal one ton of Vancouver island coal. The cost, therefore, of the oil equivalent to one ton of Vancouver island coal would be approximately $2.80. The cost of the two fuels, one on the wharf at Vancouver, and the other at the pit mouth in Nanaimo, would be $2.80 for the oil and approximately $4 for the coal. Of course, there is the gulf to cross, and that would add a little to the cost of the coal. The committee can readily see, therefore, the enormous advantage that accrues to the railway companies and other users of oil by reason of the cheaper cost. It is no severe impost upon the users of fuel oil to pay one-half cent per gallon, as they were deriving an enormous advantage by the use of fuel oil which they did not enjoy previous to its importation. Had the duty imposed been such as to place the cost of fuel to these users above the original cost of coal, there might, as has been suggested by the hon. member for

Halifax, have been some injustice; but such is not the case. I have reason to believe, of course, that the large users would naturally object even to the imposition of this one-half cent a gallon. When you come to consider that the duty not only is a source of revenue at a time when it is much needed, but also will tend to preserve one of the most important industries in British Columbia; and when you consider how generously these transportation companies have been treated by the Government, you would naturally think that they would accept graciously this increase of duty, especially as it means the preservation of an industry of which they themselves are beneficiaries. Large coal mining centres must contribute to the railway companies by freight, transportation of passengers and otherwise, and it would seem not to be business policy to endeavour by selfish sentiment, if I may use the expression, to prevent an industry like the coal mining industry in British Columbia from enjoying full prosperity. Speaking of the generous manner in which the railway companies have been treated, I believe it is a fact that in British Columbia double freight and passenger rates are charged. There is reason for this. British Columbia is a country of physical and geographical difficulties. The cost of the railway in the first instance was great; the cost of operating is great. In this connection I may say that the railway companies operating from the state of Washington, south of the boundary line, who have railways built across the alluvial flats of the Fraser river, do the very same thing. The moment they cross the international boundary they charge double rates. Their engines are fired with fuel oil, which is probably put on in the state of Washington; these engines come into the province and return to the United States in due course. They will not pay this half-cent duty, although the double charges are imposed. I commend this to the consideration of the minister, because this may be a matter which he has not covered in his proposal to collect a half-cent duty on all imported fuel oil. Of course, you could not collect a tax upon fuel for motive power on board a steamer making a trip into a port and going out again. Still, the fact remains that these engines run into British Columbia with fuel oil and will continue to do so.

Mr. A. K. MACLEAN: Supposing a tariff is imposed against oil used in the locomotive, as the hon. member suggests should be done. Would the railway company continue to use oil and pay the duty, or would they change engines at a divisional point near the international boundary line?

Mr. SHEPHERD: I am not pressing the matter; the revenue would be so small that it need not be considered.

Mr. A. K. MACLEAN: But it would not serve the interests of my hon. friend's constituents at all if they continued to pay the duty. It would do the coal mines of British Columbia no good unless the people of the province ceased using oil for power. To accomplish the purpose suggested by my hon. friend, the railways will have to change engines at the divisional point nearest the international boundary line, and consume coal from that point on to Vancouver.

Mr. SHEPHERD: They might change engines. My object in giving that little illustration is that these railway companies are enjoying the enormous advantages granted to the Canadian Pacific railway for building through rugged countries, while they have built their railroads through comparatively easy country.

Mr. A. K. MACLEAN: I understand all that. But my hon. friend evidently desires the imposition of this duty for a specific purpose, and he is quite frank about it. That purpose is to lessen the importation of fuel oil and to increase the production of provincially produced coal. At the same time he reminds the committee that this duty is not prohibitive. If it is not at all prohibitive, the result will be that we may get a revenue, but oil will be consumed just as usual and there will be no increase in the consumption of coal, and no one will benefit unless it be the Minister of Finance.

Mr. SHEPHERD: I am afraid my hon. friend has a short memory. I shall read again:

> The operators do not ask that the proposed duty should be prohibitive, but the duty should be sufficient to place the coal mining industry upon something like a parity with its competitors.

And I followed those remarks by stating that it would not be a prohibitive duty but would be a deterrent duty that would deter those who had otherwise contemplated going into the use of fuel oil, and would therefore arrest the enormous invasion at this point, and therein the coal miners would be benefited.

Mr. A. K. MACLEAN: All who are now in will stay in, and no more will come in.

Mr. SHEPHERD: Precisely. And the invasion will be arrested at this point. It may be argued that the coal mines are protected by the existing duty. This was referred to by an hon. member this afternoon. But the import duty on coal is really not protective, for this reason, that the coals from the state of Washington belong to a comparatively recent geological period. It is an inferior class of coal, and there is no demand for it in British Columbia. It is only in cases like strikes or labour troubles that the coal from the state of Washington is shipped into British Columbia, and, of course, it then pays a duty of 53 cents a ton. I claim that the 53 cents is of no real practical benefit or protection to the coal mining industry of the island. There is another thing which probably the imposition of this duty will accomplish, and I commend this to the hon. member for Red Deer (Mr. Michael Clark). This duty should give an impetus to exploration for oil fields in the western provinces, and if it accomplished that I think it would be worth while imposing the duty. I understand that the prospects of oil in Alberta and the northwestern provinces are very good, indeed, and I have no doubt the day will come when oil will be found in sufficient quantities to be commercially valuable, and, perhaps, the question of duties then might be reconsidered. If oil was produced in Canada in sufficient quantities, so that we would have no fear of the invasion of foreign fuel oil, then the question of this duty could be reconsidered. But I do maintain that a duty on fuel oil at this particular time should give a stimulus to oil exploration in the northwestern provinces. In conclusion, I submit that this duty will fill the two-fold purpose of giving a good revenue to the Government at a time when it is needed, and protecting an industry which, should the invasion of fuel oil continue in the same ratio as it has in the past, would be threatened with extinction.

Hon. GEO. P. GRAHAM: This seems to be a very hard country to govern, and the people seem to be very difficult people to please. Most of the day one section of the country has been asking for a duty to encourage the production of apples, while another section of Canada has been opposing it because it will tend to make the apples too dear. We find to-night the Minister of Finance and my hon. friend who has just sat down approaching this subject of a duty on fuel oil from different angles altogether. Of course the Minister of Finance admitted casually that it might help the coal industry, but if it helps the coal business it will not help him, because the moment the coal takes the place of fuel oil, the revenue which the Minister of Finance is after ceases. Both of these objects cannot be attained except in the happy way the hon. member from Nanaimo suggests, that the Minister of Finance can have whatever revenue he can get from the present duties, but cannot get any more. There is a difference between Ontario and British Columbia. Only last week the province of Ontario paid over $8,000,000 for the purpose of getting cheap power, while British Columbia is asking for legislation to prevent the obtaining of cheap power. It is most difficult for legislators to know just what to do.

Sir THOMAS WHITE: Hear, hear.

Mr. GRAHAM: The British Columbia coal industry is a great industry. Any person who knows anything about it can sympathize fully with the position of the hon. member for Nanaimo. Once deprive that portion of the province of this industry and you injure it very materially. On the other hand, I think it is going to be absolutely impossible to suppress the more extensive use of oil as a fuel. It is admitted that it is cheaper. My hon. friend is asking the imposition of the duty; but fuel oil is so much cheaper that people are using it in place of coal. It is a serious situation so far as coal is concerned, but I am inclined to think that some other way out of the difficulty will have to be found because, to my mind, fuel oil is going to be used more and more. In this province electricity is becoming the chief motive power and under a provincial arrangement through the Hydro-Electric Commission, this power is being distributed all over Ontario for the use of manufacturers, and is even being carried into the homes of the farmers and small consumers at very reasonable rates. This is necessary. The manufacturers of Ontario find it necessary in order to compete with the cheap power across the line, where coal is produced in abundance and where they have cheap electric power as well. If that be the case, no argument can be advanced in favour of increasing the cost of power to men engaged either in transportation or any other business requiring cheap power, if

we are to make Canada a country capable of producing in competition with other countries.

Even the small consumer of power in his own home, or on his farm, gets the advantage of this cheap power. I suppose my hon. friend from Nanaimo (Mr. Shepherd) knows that the Imperial Oil Company has recently established a plant in the West for the sole purpose of being close to their customers, and, I presume, of supplying this fuel oil at an even cheaper price than it has been supplied at hitherto. I am told that the company expects to do that.

Mr. SHEPHERD: That is not the oil to which I refer. That was explained by the minister. The oil used on the prairies is heavy distillates. The Imperial Oil Company are not distributing fuel oil.

Mr. GRAHAM: They may be distributing the refined article, but I should think they will distribute fuel oil as well when they get properly in motion. At least, I am told it is one of their objects, to bring that fuel closer to the market. It is a difficult problem. While I sympathize to the fullest extent with the wish of those who are rightly interested in the coal industry, I think they will have to be prepared in the future, and before very long, to see oil used as fuel to a very large extent. The Board of Railway Commissioners may insist that all the railway companies shall use oil as fuel. I am not sure, but I think recommendations have been made to them in the past with that object in view, in order to protect the forests of British Columbia from fire, which causes great havoc. Already two of the great transcontinental lines, the Canadian Pacific and the Grand Trunk Pacific, are using oil as fuel. The Canadian Northern railway is not using oil as fuel because that company have some interest in extensive coal mines, and, of course, have their own coal.

Mr. SHEPHERD: I may assure my hon. friend that the Canadian Northern do not own the Canadian Collieries.

Mr. GRAHAM: They own other coal deposits, if not the Canadian Collieries. At any rate, I know that several charters were got to enable them to run to their coal mines in British Columbia.

Mr. GREEN: The Canadian Northern Company, or rather Sir William Mackenzie,

[Mr. Graham.]

floated a company which took over the Dunsmuir colliery. That is the only mine in which, I think, they are interested in in British Columbia, and they are not interested in that to any great extent. That was a personal speculation of Sir William Mackenzie's, and he has turned it over to British investors, and has practically no interest in it now.

Mr. GRAHAM: I was not criticising them at all; I was simply pointing out that the two railway companies which have no interest in coal mines use oil, and that if it is found to be beneficial the Board of Railway Commissioners may make an order to the Canadian Northern to do the same thing. The two railway companies which are using oil are not acting on an order from the Railway Commission. After all, I am inclined to think that this duty will not help the coal industry so much as it will help to get revenue for the Finance Minister. I sympathize with my hon. friend from Nanaimo, but I do not think it will have the effect of stopping the use of fuel oil, because I think that fuel oil will be cheaper in the years to come than it is now and that there will be better facilities for using it, and better means of getting it. It will be apt to become cheaper instead of dearer. Those who use it tell me that it is superior to coal as a fuel, for the purposes to which it is put. I am rather inclined to think that the Minister of Finance will get considerable revenue out of the transportation companies. It may be regrettable that the one transportation company, out of which he expects to get his war tax, is one which my hon. friend from Nanaimo says will contribute the greatest amount of revenue from this new tax.

Mr. F. B. CARVELL (Carleton, N.B.): I want to congratulate the hon member from Nanaimo upon his perfect frankness, and upon the manner in which he has presented his case this evening. From the statements made by the hon. member it appears that this tax has been imposed at the request of the hon. member from Nanaimo, and probably of other gentlemen from his province. It also seems perfectly plain that it is proposed with the object of preventing the consumption of fuel oil, and, to that extent, of assisting or encouraging the consumption of coal. If that is the object, it means that the minister will not get revenue out of it so much as that the people who have

to use power in British Columbia will pay a greater price for their fuel. If the people of British Columbia are satisfied with that arrangement, and if the transportation companies are satisfied with it, possibly no very great harm may accrue, because we can all appreciate the importance of keeping the coal mines in British Columbia going. But the difficulty I see is that people in other parts of the country, who are not so much interested in keeping the coal mines of British Columbia operating, are going to suffer as well. I think the Minister of Finance and the hon. member for Nanaimo will see the force of that argument. If you are going to make power expensive, you are going, just to that extent, to increase the expense of production, of business, of manufacture, and of transportation, and to affect practically every phase of industrial life in Canada. That is the principle involved, it seems to me; that is the almost vicious side of it.

My hon. friend from South Renfrew (Mr. Graham) referred to the province of Ontario. That province probably offers a ground of comparison to some extent, but it is not a good comparison, because in Ontario, unfortunately, they have no coal. But go further east, go down to the Maritime Provinces, where we have both coal and water-powers. What would be thought if the people of the Maritime Provinces and Quebec came to Parliament and asked that a heavy embargo be placed upon the production of water-power? Would you not say that either they were crazy or selfish, or that something was wrong with their mental operations? Yet I do not see any difference between that proposition and the proposition put forward by the hon. gentlemen from British Columbia, who frankly say: It is true we want to make power dearer, but we want to do so in order to help the coal mines of British Columbia. Go down, if you will, to the provinces of Nova Scotia and New Brunswick, or to Eastern Quebec, where Nova Scotia and New Brunswick coal is used practically exclusively; if this Parliament were to say: We are going to put a tax on your horse-power or unit; your water-power is too cheap, so cheap that it is taking the place of coal, therefore we ought to do something in order to prevent you from using this cheap power and in order to develop the coal mines—I do not know what the people of British Columbia would say to a proposition of that kind, but I know what would happen down east. Any man who made such a proposition would meet with a very warm reception.

Mr. SHEPHERD: Water-power is a home product, but fuel oil is not.

Mr. CARVELL: It is partly, but I do not think that that helps my hon. friend much. The effect would be the same as on the coal industry. I do think that this is class legislation, that it is legislation intended evidently—indeed, the thing is admitted frankly—to help put a certain industry in one portion of Canada to the detriment of dozens and dozens of other industries in other portions of Canada. If my hon. friend feels like pressing it through, I presume it will go through, but I want to register my protest against the principle involved. I believe the hon. member for Nanaimo knows a little more of what he is talking about than does the minister. I do not say that offensively, but I wish it to be understood as being complimentary to the hon. member for Nanaimo. I believe the member for Nanaimo is right when he says that the result of this legislation will be an increased consumption of coal and a stoppage of the importation of fuel oil, with the result that we will have protection in its most vicious form, and the revenue will not be benefitted to any extent thereby. If this were put forward purely as a revenue producer at a time when the country needs revenue and we must have revenue from some source, we would all have to bury our principles and our ideas upon many things. The Minister of Finance says this is a revenue measure, but if we are to take the evidence of the gentleman who knows all about it, we must come to the conclusion that this is not a revenue producer, but a protective policy pure and simple in order to boost the production of coal in British Columbia, and to make the cost of land and marine transportation, and the heating of houses, very much higher in Canada in the future than it has been in the past.

Mr. A. K. MACLEAN: I would like to ask the hon. member for Nanaimo if fuel oil is used in the heating of houses in British Columbia to any extent, or is it confined to the larger office buildings and hotels?

Mr. SHEPHERD: Just to the larger buildings, sky scrapers, and very few of them.

Mr. OLIVER: The impression is prevalent that the Grand Trunk Pacific and Canadian Pacific are using oil in the moun-

tains as the result of the exercise of authority either by this Government directly, or by the Railway Commission. I would like to ask the minister if there is any warrant for the assumption that they have not been free agents in the matter of the adoption of oil instead of coal burning locomotives?

Sir THOMAS WHITE: I made inquiry, and I was informed that there is no warrant for such an assertion. There appears to have been no order made on the subject either by the Government or by the Railway Commission.

Mr. OLIVER: Did my hon. friend's inquiries go far enough to find out whether such an order had been made by the Government of British Columbia? I understand that oil burning engines were adopted in the interest of forest protection and I find it hard to believe that both of these companies would introduce oil burning engines at great expense unless they were compelled to do so. Would my hon. friend tell the committee if the Government of British Columbia exercised that authority?

Sir THOMAS WHITE: I am told that no such authority was exercised by the Government of British Columbia, but a request might have been made by the Forestry Branch of that province. I understand that no order has been made. It would appear to me, from the consideration I have given the matter, that the railway companies will continue to make use of fuel oil. It is true they will have to pay this additional duty upon it, but it would not appear to me that the amount which they would be called upon to pay is unreasonable, having regard to the fact that we are in need of revenue—

Mr. A. K. MACLEAN: That is not the point.

Sir THOMAS WHITE: —and that this fuel oil has been on the free list. It is the point in so far as the question put to me by my hon. friend from Edmonton (Mr. Oliver) is concerned. Let me ask my hon. friend from Nova Scotia (Mr. Maclean) a question. He is aware that there is a duty upon coal. I do not know a more important subject, from the tariff standpoint, than the duty upon coal in so far as Nova Scotia is concerned. I do not believe any gentleman from Nova Scotia would advocate taking that duty off.

Mr. A. K. MACLEAN: That is not this case at all.

[Mr. Oliver.]

Sir THOMAS WHITE: That is this case to a certain extent.

Mr. MACLEAN: Not at all.

Sir THOMAS WHITE: Why is the duty on coal valued by Nova Scotia? Because it is a protection given to the coal industry of that province.

Mr. MACLEAN: In the market outside of the province itself. It is not designed as a protection within the province which is producing the coal.

Sir THOMAS WHITE: Does my hon. friend say that the only purpose served by the duty on coal in so far as Nova Scotia is concerned is in respect to the export business?

Mr. GRAHAM: From the province to other provinces.

Sir THOMAS WHITE: Well, this is Canada. It is true we have different provinces. But would my hon. friend say that coal would sell as high in Montreal, or in Ontario, if there was no duty on coal?

Mr. OLIVER: My hon. friend says that the increase in the duty on apples will not make any difference in the price. If that is so it should not make any difference in the price of coal.

Sir THOMAS WHITE: What is the position of the coal mining industry of British Columbia? I thought the statement of my hon. friend from Nanaimo was a reasonably fair statement. He said that this would not prevent the use of fuel oil but that it would tend to put fuel oil and coal upon a parity. He made one or two points of extreme weight. One was that the competition at present is not fair. The coal mining industry of British Columbia pays a royalty to the British Columbia Government. The coal mining industry of British Columbia supports several thousand workmen and their families and plays a very important part in the economy of the entire province. On the other hand, what Canadian labour is employed in so far as fuel oil is concerned? What part does its production play in the economy of British Columbia? What royalty does it pay in which the province of British Columbia is in any way a participator? Is it quite fair that there should be a protective duty which prevents American coal from entering into competition with Nova Scotia coal, in the interest of the coal operatives of Nova Scotia and I am entirely in favour of

that tariff—and that the coal mining industry of British Columbia, equally important, relatively, to that province, should have no measure of protection against the competition described by the hon. member for Nanaimo??

Mr. A. K. MACLEAN: They have the duty on coal.

Mr. CARVELL: They have the same protection that the Nova Scotia coal miners have.

Sir THOMAS WHITE: There is no coal imported into British Columbia.

Mr. CARVELL: Nor into Nova Scotia either.

Mr. WHITE: I should think not into Nova Scotia. But there is no foreign coal imported into British Columbia. It's geographical situation is different from the geographical situation of the East. The effect of this tariff is going to be precisely what I have said. I say perfectly frankly, as I said at the beginning that it will give a large revenue and that incidentally it will give a measure of protection to the coal mining industry of British Columbia. Has my hon. friend ever heard of a tariff policy for revenue and incidental protection? Has he ever heard that expression before? I think he has. There is nothing strange about this proposition at all. It will give the Dominion Government a substantial revenue and it is not going to prevent the use of fuel oil. It certainly will not in the province of Ontario and it certainly will not in the province of British Columbia, but it will have a tendency towards bringing about a greater use proportionately of coal and consequently it will inure to the advantage of the British Columbia coal industry just as the tariff on coal inures to the advantage of the Nova Scotia coal industry, as it should.

Mr. A. K. MACLEAN: If the resolution passes now I suppose we can discuss these matters further when the Bill is brought down. This duty upon fuel oil opens a much bigger question than I think the members of the committee thought of. The tariff item was not explained at all by the minister in his Budget speech, and attention had not been directed to it specifically by anybody in this House until this evening. From the standpoint of British Columbia, it may be very undesirable to impose this duty; I do not say that it is, I do not pretend to know the subject very well.

Mr. OLIVER: The minister has referred to certain oils mentioned or alluded to in this item. Is gasolene subject to this duty?

Sir THOMAS WHITE: Gasolene is not affected in any way by the tariff changes proposed in the Budget.

Mr. OLIVER: What are the oils, calling them by their commercial names, which are affected?

Sir THOMAS WHITE: Fuel oil, and the other oils known as heavy distillates, such as gas oil, road oil, and petroleum tailings. These latter three are known under the comprehensive name of heavy distillates. The heavy distillates are used in what are known as internal combustion traction engines, which are largely used in the West.

Mr. OLIVER: I am sorry to say I cannot agree. Gasolene is what is used in these traction engines.

Sir THOMAS WHITE: Gasolene is also used. I am informed that about 1,000,000 gallons of the heavy distillates are used. The duty on these heavy distillates has been reduced from 2½ cents to half a cent a gallon. That is a very substantial reduction upon about a million gallons of oil.

Mr. OLIVER: That is the point I want to get at. Upon what quantity is the reduction made? My impression is that the minister has entirely over-stated the amount, because I am satisfied that a very large proportion of the traction power in the West is gasolene.

Sir THOMAS WHITE: I may say that gasolene is free, except for the war tax.

Resolution reported.

On motion of Sir Thomas White, the House adjourned at 11.03 p.m.

Thursday, March 16, 1916.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

APPLICATIONS FOR PUBLIC WORKS.

Mr. TURRIFF:

Is it the intention of the Government to carry out the suggestion of Sir George E. Foster, that every application for a public work or a public improvement should go before a competent

board of engineers and business men, to be reported upon by them for the information of the Government, before it is passed and put into the Estimates?

Mr. ROGERS: Every application for a public work or a public improvement is reported upon by the permanent staff of the department before it is undertaken. The report in the first instance is made by the district engineer and is submitted by him for the approval and consideration of the chief engineer. Thereafter the application is considered first by the Treasury Board and afterwards by council.

REGINA MILITARY CAMP.

Mr. THOMPSON:

1. When was the military camp established at Regina, Sask.?
2. Who are the medical doctors who have been in charge of camp from commencement?
3. How many men are there in that camp?
4. How many deaths of enlisted men have occurred in that camp?

Mr. KEMP:

1. At the end of June, 1914.
2. The medical officers in charge are: Captains E. E. Meek, W. R. Coles, A. S. Gorrell, and E. B. Alport.
3. 1,320 all ranks, as on February, 1916.
4. Three deaths have occurred since November.

ARISAIG LIGHTKEEPER.

Mr. WILLIAM CHISHOLM:

1. Who is the lightkeeper at Arisaig, N.S.?
2. When was he appointed, and at what salary?
3. On whose recommendation was the appointment made?

Mr. HAZEN:

1. Rev. D. L. McDonald, temporary keeper.
2. February 14, 1916. $140 per annum.
3. Hon. E. L. Girroir and Mr. G. A. R. Rowlings.

CENSORS AND DECODERS AT LOUISBURG.

Mr. CARROLL:

1. What are the names of the censors and decoders at the wireless station at Louisburg, South Cape Breton?
2. What salary is each paid?
3. How much was paid for this service in 1915?
4. What was the occupation of each before being appointed as censor and decoders?
5. Are they to give the whole of their time to this service?

Mr. KEMP:

1. Censor, Joseph Macdonald.

Assistant censors: D. S. Hooper, S. P. Challoner, W. R. Tobin, Neil Ferguson.

Decoding clerks: John J. Bagnell, Charles McDonald, Stewart Macdonald, Frank Cook, Thomas Hayden, Michael J. Dowd.

2. Censor, $9 per diem; assistant censors, $7 per diem; decoding clerks, $3.50 per diem.

3. Joseph McDonald, $3,285; D. S. Hooper, $2,555; S. P. Challoner, $1,519; W. R. Tobin, $210, appointed Dec. 2, 1915; Neil Ferguson, $168, appointed Dec. 8, 1915; J. J. Bagnell, $1,277.50; Charles McDonald, $1,277.50; Stewart Macdonald, $1,277.50; Frank Cook, $959, appointed April 2, 1915; Thomas Hayden, $17.50, appointed Dec. 27, 1915.

4. Joseph Macdonald, barrister; D. S. Hooper, merchant; S. P. Challoner, journalist; W. R. Tobin, barrister; Neil Ferguson, merchant; J. J. Bagnell, insurance agent; Charles McDonald, law student; Stewart Macdonald, medical student; Frank Cook, clerk; Thomas Hayden, law student; Michael J. Dowd, accountant.

5. The entire time of these officers is at the disposal of the Government.

ANNANDALE BUOYS.

*Mr. HUGHES:

1. Did a man named James R. Robertson look after the buoys in Annandale or Grand River east harbour in Prince Edward Island?
2. If so, what did he receive per year for doing the work, and when did his contract expire, or was he dismissed?
3. Who succeeded Mr. Robertson, and what did he get for doing the work?
4. Did he get the contract by tender, or how was he appointed?
5. Who is looking after the buoys at present, what is he getting for doing the work, and how was he appointed?

Mr. HAZEN:

1. Yes.
2. $41.67 per annum. The contract terminated 15th June, 1912, but Mr. Robertson continued to maintain the service until 6th September, 1912.
3. William E. Swallow, of Annandale, $41.50 per annum.
4. The service was transferred to Mr. Swallow upon recommendation of Mr. A. L. Fraser, of Souris.
5. John J. Clarke, of Annandale, $33 per annum. Public tenders were invited last year, and Mr. Clarke's tender, which was the lowest, was accepted.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. A. K. Maclean.—For a return showing how many medical doctors are employed by the Militia Department at Halifax, N.S.; the name of each, and their rank and pay, respectively; whether the entire time of all or any is devoted

to the militia service; when not constantly employed in the militia service, what is their daily period of service.

Mr. Carvell.—For a return showing whether the Government has received any complaints as to the manner of supplying clothing to the Royal Military College, or as to its fit, workmanship or materials employed, or as to any delay in furnishing the cadets with clothing; if so, from whom such complaints have been received; on what grounds were such complaints made; what form was the complaint in; what was the nature of the complaint; whether the Government is aware as to whether or not there has been dissatisfaction as to the fit, workmanship and materials employed, or as to any delay in furnishing the cadets with clothing; whether it is true, as alleged, that the late Commandant of the Royal Military College, Colonel Crowe, before he left, recommended a change of system for the supply of clothing, and outlined the features of such a system; if so, what were the details of the plan suggested; to what extent was the plan suggested by Colonel Crowe adopted, and if not adopted, why not; whether the present Commandant of the Royal Military College has made any suggestions as to a change in the system of supplying clothing to the cadets; if so, what were the changes which he suggested.

SHIPMENT OF SYRUPS FROM WEST INDIES.

On the Orders of the Day:

Hon. J. D. HAZEN (Minister of Marine): The right hon. leader of the Opposition made inquiry of me yesterday with regard to the service being rendered by the line of steamers, subsidized by the Canadian Government, which run from St. John and Halifax to the West Indies and I told my hon. friend that I would endeavour to get the information for him.

The Royal Mail Steam Packet Company is the company that runs this line of steamers between Halifax and St. John and the West Indies. I asked the Deputy Minister of Trade and Commerce this morning to read my right hon. friend's remarks and mine in yesterday's Hansard and send me a statement with regard to the matter. I have the statement here in the form of a letter from Mr. O'Hara, the Deputy Minister:

Ottawa, Ont., March 16, 1916.

Dear Mr. Hazen:

I have read in Hansard of yesterday the remarks of the Right Hon. Sir Wilfrid Laurier upon the subject of the shipment of syrups from the West Indies, and also your reply.

The information you gave to Sir Wilfrid is correct, but, in the absence of Sir George Foster I may add, that the Minister of Trade and Commerce has been aware for some time of the congestion existing in connection with the service of the Royal Mail Steam Packet Company to the West Indies. This congestion exists both ways. Neither Canadian exporters or importers are able to get the space they demand, and Sir George has been doing everything he possibly could to relieve the situation, even to cabling the Admiralty to release some of the ships commandeered from the Royal Steam Packet Company, without success.

The company states that 70 per cent of their tonnage is now in the hands of the British Government. Canadian exporters of lumber, flour, and other foodstuffs have been complaining of the small amount of space available, as have complaints come from Canadian importers and West Indian exporters of their inability to get sufficient space for sugar and molasses.

The difficulties are heightened by reason of the fact that there are no tramp steamers available for the molasses trade, which steamers always largely divide the traffic with the Royal Mail Steam Packet steamers. The Royal Mail Steam Packet Company are giving the best service Canada has ever had to the West Indies. They are performing the service under subsidy, with the vessels required, and so far as we know are doing all they can with the space at their disposal to accommodate the shippers, at either end, to the capacity required.

I may say that the Royal Mail Steam Packet Company have ever shown a sincere desire to meet this department in every request we have made of them, even though such requests at times exceeded the limits of their contract.

Yours faithfully,

F. C. T. O'Hara,
Deputy Minister.

206th BATTALION—SUPPLY OF KITS.

On the Orders of the Day:

Mr. LEMIEUX: I call the attention of the acting Minister of Militia to the following article which appears in this morning's Daily Mail of Montreal:

Made in Germany; Kits supplied to Local Battalion—Col. Pagnuelo expresses indignation over Kitts given the 26th Battalion.

Three hundred kit bags were received this week from the Department of Militia, Ottawa, for the men of the 206th French-Canadian Overseas Battalion, now being recruited by Lieut.-Col. T. Pagnuelo. Each kit was neatly packed and contained the usual soldier's toilet haberdashery, consisting of a military brush and comb, toothbrush, razor, service shirts, etc. But, to the surprise and disgust of the commanding officer, upon examining the articles it was found that many of them were marked. Made in Germany. "I was never more disgusted in my life," said Lt.-Col. Pagnuelo to a Daily Mail representative. "It is either another imposition of graft or the exercise of gross negligence on the part of the militia authorities in permitting unscrupulous manufacturers to unload German-made goods upon the Government, particularly for the use of Canadian soldiers. I only hope," added the colonel, "that my men will be given the opportunity of using these same razors on the despicable Hun, and it cannot be too soon to suit us."

Another prominent officer of high rank said that nothing could be more inconsistent in view of the present agitation to place a boycott on everything of German manufacture. "William the Brutal, by fair means or foul, and mostly foul, is out to place himself as conqueror of the world and as vice-regent of heaven," he said. "This is one way to help him to attain that end."

This paper is friendly to the Government, and I should like to know from the acting Minister of Militia if he can give us any information upon this matter, and what the Government intends to do.

Mr. KEMP: It would certainly not be the intention of the Government to buy anything made in Germany at the present time, and perhaps that policy may be carried out after the war. All razors that have been purchased, so far as I know, have been purchased either in Great Britain or in the United States. There are no razors made in Canada. No razors of German origin have been purchased, so far as we know. I shall have the matter looked into, and try to give my hon. friend some satisfactory answer.

INQUIRY FOR PAPERS.

On the Orders of the Day:

Mr. KNOWLES: I wish to call attention to an evident misunderstanding in the preparation of some papers asked for by the hon. member for Assiniboia. The hon. member asked the Minister of the Interior to lay on the table of the House the papers in connection with the proposals to collect the total amount of seed grain indebtedness last fall, and the subsequent arrangement to collect only 50 per cent of the amount, and also a copy of the instructions to the sheriffs. The papers brought down deal exclusively with instructions to sheriffs. The telegrams that passed between the Prime Minister and myself were dated on the 4th and 8th of September, while this file commences on the 23rd of November.

Mr. ROCHE: If the papers asked for have not been included in any other return that has been brought down, I will see that they are brought down.

PETITION FOR DISALLOWANCE OF ONTARIO STATUTE.

On the Orders of the Day:

Mr. E. LAPOINTE: Has a petition been received by the Government asking the Governor in Council to disallow an Act of the province of Ontario, being 5 George V, chapter 45? If so, has the Government taken any steps in the matter, and what are those steps?

Mr. ROGERS: I personally have no knowledge of such a petition having been received. If it has been received, it will be dealt with in the ordinary course.

MUNITIONS CREDIT TO IMPERIAL GOVERNMENT.

On the Orders of the Day:

Mr. E. M. MACDONALD: I see in various newspapers a statement attributed to the Minister of Finance that certain financial arrangements have been made by the banks with regard to a credit for the money necessary to ensure further orders for munitions in Canada. Would the minister tell the House just what has been done?

Sir THOMAS WHITE: In order to give my hon. friend and the House the information which he desires, it will be necessary for me to refer to a conference which I convened early in December last; I think during the first week of December. This was after the domestic war loan had been made. My hon. friends will recall that the domestic war loan was for a sum of $50,000,000, but that subscriptions were received aggregating over $100,000,000. It was before we had dealt with the matter of those subscriptions that I convened this meeting of representatives of Canadian bankers, in fact, of all the general managers of Canadian banks, for the purpose of taking up what then seemed to us to be a very important question by reason of prevailing exchange conditions, namely, the question of providing in Canada a credit for the Imperial Government for the purpose of paying for munitions and other supplies ordered in Canada.

It will not be necessary, unless my hon. friend especially desires me to do so, to refer to the exchange situation further than to state, as I have indicated, that the conditions were serious, and that it looked as if the Imperial Government, in the absence of such a credit, would not be able to place further orders for munitions, at least upon a large scale, in Canada. At that time the banks were engaged in the task, a very heavy task from the financial standpoint, of moving the western crop. After conferring with the bankers, I stated that, in view of the fact that the Canadian war loan had been made and would of course make demands upon the financial situation, and in view of the fact that further demands were being made upon the banks by the requirements of the crop movement, it appeared to me that public opinion would support the Government in allotting subscriptions to the amount of $100,000,000 of the domestic war loan. It was my view that we should take $50,000,000 for the purposes of our war expenditures, and that we

should set aside $50,000,000 as an Imperial credit here for the purpose of enabling the Imperial Government to finance the requirements of the Shell Committee or the Imperial Munitions Board in making its payments to manufacturers and others from time to time. My hon. friends in the House know that that policy was followed with very happy results, I think very happy Imperial results, because the announcement was received most favourably both in Canada and in the United Kingdom.

I stated further to the bankers at that time that this credit would last for a few months longer, and that, in the spring, I would again convene them for the purpose of seeing whether it would not be possible on the improved financial situation which would then exist, to establish a further credit here, or to adopt some expedient, such as the establishment of what is called dollar exchange, for the purpose of facilitating payments here by the Imperial Government, and getting over the exchange difficulty which still continued serious.

In brief, I may say that we have had several conferences extending over the last two or three weeks, and the result, I was able to announce yesterday that the Canadian Bankers Association, representing the several banks of Canada, had made an offer which I am informed is entirely acceptable to the Imperial authorities to establish a credit of $75,000,000 for the Imperial treasury here. The result will be that any difficulties, so far as financing in Canada is concerned—and when I speak of difficulties, I refer to exchange difficulties—have been overcome for some months at least, and that further orders will be placed in Canada, in due course, to the amount of at least $75,000,000, and, I am hopeful, to the amount of $100,000,000. In anticipation of the arrangement being concluded, because I have had information for some little time past, that it would likely be concluded, orders aggregating some $20,000,000 have already been received by the Imperial Munitions Board from the Imperial authorities.

PRIVILEGE.

On the Orders of the Day:

Hon. T. W. CROTHERS (Minister of Labour): I desire to rise to a question of privilege. On the editorial page of yesterday's Toronto Globe appears the following:

> When the Minister of Labour at Ottawa was reported as telling the House of Commons that "he was not sure Great Britain and her Allies would win the war," that "a German victory would mean a German Canada," that "he did not approve of everything done by the British House of Commons for the relief of disabled soldiers," and that "no one knows when this war will cease or how it will end," there was a general feeling of painful surprise. Mr. Crothers, having had abundant time allowed him for the correction of published reports, and having admitted by prolonged silence that he had nothing to plead in bar of condemnation, may fairly be held responsible for his peculiar point of view and mode of expression.

That is the first statement of the kind which I have seen or heard since the occasion referred to. It is a gross misrepresentation of what I said, although perhaps about as near the truth as the Globe generally gets when dealing with the utterances of political opponents. This statement, referring to me, says, among other things:

> He did not approve of everything done by the British House of Commons for the relief of disabled soldiers.

The intent being, apparently, to convey the idea that I was not in sympathy with disabled soldiers. That statement is entirely without foundation in fact, and is wholly fabricated. I made absolutely no reference in my remarks to the relief provided for disabled soldiers by the British House of Commons, as a reference to the unrevised edition of Hansard would clearly show. Concerning our own soldiers, I said, as appears on page 1709, Hansard:

> I was glad also to hear the remarks of the hon. member for North Oxford (Mr. Nesbitt), and the hon. member for Edmonton (Mr. Oliver) concerning the treatment which we should mete out to our returning soldiers.

Both hon. gentlemen spoke very sympathetically as to the men who might return from the front disabled or wounded, and took the position that we should leave nothing undone to enable them to secure an honourable livelihood, and to re-educate them if necessary; and, as will be noticed, I expressed my pleasure at the stand taken by those two hon. gentlemen from Oxford and Edmonton respectively. I said:

> I am very glad to know that every member of this House, and I believe every person in Canada, appreciates to the full the great sacrifices that our young men are making in fighting our battles on the fields of France and Flanders. They are making the supreme sacrifice there.

I pointed out that everything possible was being arranged for them on their return through the Military Hospitals Commission. I said further:

> We are not unmindful of the soldiers. Nothing is too good for the man who has risked his life for the British Empire... This commission

is composed of some of the leading men in Canada. They are giving their services. . . They are doing their very best for returned soldiers, and will continue to do so regardless of any adverse criticism.

I did not use the words attributed to me: "He was not sure Great Britain and her Allies would win the war." I was pointing out the necessity of our concentrating all our efforts towards the successful termination of the war, and among other things I said:

We are not, as some people say, simply rushing to the assistance of the Mother Country, as, of course, we did, but that we are fighting for the liberties we enjoy as Canadians, which would be sacrificed if Germany should win.

Mr. Pugsley: I think we all agree with you in that.

Mr. Crothers: I thought my hon. friend made some observations to the effect that he did not believe there was any danger in that direction.

The hon. member for St. John did not deny having said something to that effect, but he said:

Mr. Pugsley: I am sure we are going to win, that is all.

Mr. Crothers: I am not so sure.

The word "so" is left out of the Unrevised Edition. I said further:

No man knows when this war will cease, or how it will cease, and while we are in that position it seems to me we should concentrate all our efforts on the successful prosecution of the war, and not divert our strength therefrom in any way whatever.

These remarks were quite in accord with those made by Lloyd George, and many other prominent men in England on many occasions since the beginning of the war. The right hon. the leader of the Opposition on the 19th August, 1914, said in substance that there was danger at the front when he used the words:

We offer no criticism, and we shall offer no criticism so long as there is danger at the front.

Danger of what at the front? The danger now is no less than it was then, and in substance the right hon. gentleman said what I am criticised for saying, and it will now be in order for the Globe to instruct the right hon. gentleman's following in this House to depose him from the high and honourable position he now occupies.

Some hon. MEMBERS: Oh, oh.

Sir WILFRID LAURIER: I thought my hon. friend rose to explain, but he is attacking.

Mr. CROTHERS: I am trying to justify what I said by what was said by my right hon. friend, for whom I have the highest respect.

[Mr. Crothers.]

DOMINION LOAN—$75,000,000.

On motion of Sir Thomas White (Minister of Finance) the House went into Committee —Mr Rhodes in the Chair—to consider the following proposed resolution:

That it is expedient to authorize the Governor in Council to raise by way of loan, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament by any Act heretofore passed, such sum or sums of money, not to exceed in the whole the sum of seventy-five million dollars, as may be required for paying maturing loans and obligations of Canada, carrying on of public works authorized by Parliament and meeting expenditures for general purposes authorized by Parliament.

Sir THOMAS WHITE: The object of this resolution is to replenish the necessary borrowing powers of the Dominion for the purposes mentioned, the present borrowing powers being only about $10,000,000 due to our large borrowings of the past year. The Appropriation Act of 1915 recites that there remains unborrowed and negotiable of the loans authorized by Parliament, for the construction of public works and other general purposes, the sum of $78,291,206.04. I propose to file, for the information of the House, a statement showing that the balance which can be borrowed under the authority of that Act is at the present time $10,897,425.88.

Sir WILFRID LAURIER: What was the amount authorized last year by the statute?

Sir THOMAS WHITE: The amount last year declared to be the statutory borrowing power of the Dominion for the purposes mentioned was $78,291,206.04. In brief, I might say for the information of the committee, that the £5,000,000 in March, 1915, and the New York loan of $45,000,000, were responsible for the reduction from the amount of $78,000,000 then remaining of the statutory borrowing authority to $10,000,000. I shall file a book-keeping statement showing that the balance I have named is correct:

Statement showing the loans authorized, amounts issued and redeemed and the balance negotiable under the several Acts of Parliament, on January 31, 1916.

Dr.

1915.			
April 1.	To balance		$78,291,206 04
	To amount of debt redeemed.		23,900 00
	To amount of withdrawals over receipts in savings banks.		1,915,653 17
			$80,230,759 21

	Cr.	
1915.		
By receipts from loans:		
Loan 1920-25, £5,000,000. ..	$24,333,333	33
Loan New York	45,000,000	00
By balance negotiable	10,897,425	88
	$80,230,759	21

Finance Department,
February 9, 1916.

The purpose of this resolution, as I have stated, is to replenish our borrowing powers which have become too low for our purposes. Hon. members will understand that financial conditions are unsettled and uncertain, and it is in the interest of the Dominion that we should be in a position to take advantage of favourable opportunities for borrowings as they arrive. I may state that last year the conditions, in their susceptibility to change, were almost kaleidoscopic, that a favourable opportunity would arise for a loan and that a week or ten days afterwards the conditions would be unfavourable. I think it is not necessary to enlarge upon that point. We are simply asking the House to enlarge, to the amount we deem sufficient, the present statutory borrowing powers of the Dominion Government. The House is doubtless aware that for several reasons it is inexpedient to borrow at present in the United Kingdom; if for no other reason the exchange situation, and the large cost of bringing money to this country if borrowed there. We are therefore limited practically in our borrowings to this side of the Atlantic; in other words, to Canada and to the United States. I am going to ask the House, if it will be good enough to do so, to accelerate the passage of this Bill in order that it may have its third reading to-morrow.

Sir WILFRID LAURIER: Will this $75,000,000 exhaust the amount which my hon. friend intends to borrow this year, or will he have to come back to the House again?

Sir THOMAS WHITE: My right hon. friend the Prime Minister will introduce, this year, as he did last year, a Bill to cover the estimated war expenditure of the Dominion for the coming year. My right hon. friend (Sir Wilfrid Laurier) will recall that the Prime Minister introduced a Bill authorizing an expenditure amounting to $100,000,000 last year. I am not quite certain as to the amount which will be asked for by the Prime Minister for that purpose for the coming fiscal year, but I should think it would be in the neighbourhood of $250,000,000, as stated in my Budget speech. The Dominion, for the coming fiscal year, will be confronted, using round figures, with a situation in which, from April 1, 1916, to March 31, 1917, we shall have to raise by way of loans in the neighbourhood of possibly $200,000,000 or $225,000,000. I am unable, of course, to state the amount definitely because the sum will depend upon the number of men who will be under arms by the end of the year, and the times at which they enlist. We have the Canadian market, and we have the American market, but we borrow in Canada for war purposes. This $75,000,000 will be part of the entire borrowing which I have mentioned.

Mr. W. F. MACLEAN: Is that the loan which is mentioned in the evening papers of to-day as being about to be completed by J. P. Morgan & Company?

Sir THOMAS WHITE: For some weeks past negotiations have been proceeding, but they have not yet been concluded, between the Dominion Government and a New York group of financiers looking to the placing of a loan there.

Sir WILFRID LAURIER: I understood the Minister of Finance to say what we practicaly knew already, that the Prime Minister will introduce a Bill providing for the war expenditure. I understand that, according to the arrangement which has been made, this war expenditure will be provided for by the British Government, but what I want to know from my right hon. friend is, if this amount which my hon. friend asks the House for now is all that he intends to apply for and to borrow, apart from what will be borrowed under the Bill to be introduced by the Prime Minister?

Sir THOMAS WHITE: No, this will not complete the entire amount. I think my right hon. friend misunderstood what I stated in regard to the amount which we arranged to borrow from the Imperial Government. In order to give stability to our finances, and to ensure that we should have ample funds for the purpose of carrying on our part of the war during the coming year, I made an arrangement with the Imperial Government whereby an authorized credit of £30,000,000 was provided, but I stated in the Budget speech that it was our object to rely upon that to as slight an extent as possible. We have our expenditures in Can-

ada, in the United Kingdom, and in France. We use a certain amount of that Imperial credit from month to month for the purpose of making our payments in the United Kingdom and in France, but I do not desire to draw upon it to a greater extent than is absolutely necessary because I should prefer that Canada should, as far as possible, pay her own way. Great Britain is labouring with unprecedented financial responsibilities.

While the Imperial Government is willing to give us this credit, should we desire to avail ourselves of it, it is the earnest wish of the Government that we should not avail ourselves of that credit to a greater extent than is indispensably necessary. Answering my hon. friend, then, in the light of what I have said, this will not be the limit of our borrowing, apart from our borrowings from the Imperial Government during the coming fiscal year; at least, in my view it will not, because I think that our expenditures for war will be such that we shall have to provide a total in the neighbourhood of $200,000,000 or $225,000,000. We shall take advantage of the Imperial credit when we find it indispensably necessary to assist in our financing, and particularly in our financing in the United Kingdom and on the continent of Europe. In my view we shall require at a later date—many months from now, possibly towards the end of the year—to borrow further amounts, possibly in Canada. My hon. friend from Rouville (Mr. Lemieux) asked me the other day whether I had in mind a domestic loan. My hon. friend is aware that it is a good maxim not to state what you are going to do in the matter of borrowing. I am sure he will recognize what is an obvious fact, that it was really a wonderful achievement for Canada to subscribe $100,000,000 towards the loan last year, and to me it is a matter of very great pride that notwithstanding the $100,000,000 which we took last year from the people's savings and from the financial institutions of Canada for the purposes of the war, the banks are now able to come forward and furnish an additional credit of $75,000,000. Now, that credit of $75,000,000 is a further reason why for the present at all events, it would in my judgment be inexpedient to bring on a domestic loan.

Mr. W. F. MACLEAN (South York): I do not want to hinder in any way the Minister of Finance in getting through this resolution, and the necessary legislation authorizing this loan. Three different financial propositions have been mentioned here to-day: an advance to the British Government by Canadian banks; the loan now under consideration, and a war loan to be submitted later to the House. I have discussed this question on one or two occasions since the war began, and the only objection I have to the minister's proposal to-day is that to my mind it is not on a sufficiently large scale, and further, under the present circumstances, I think we should adopt what I would call more modern methods of financing. I think we should re-organize our whole financial position. We should nationalize our currency to begin with, instead of having, as we now have, a bank currency. In the next place, we could adopt the system now in vogue in the United States, and in practically all other countries, of a national bank of re-discount. I believe that if we called on the New York market to-day —to my mind we should have done it before this—we could get a loan of $500,000,000 for the use of Canada, and we could get it better now, probably, than later on. We do not know what may happen in connection with the United Sstates market, and that is now the one available market for Canada. I should like to have seen the Finance Minister go to the New York market for a loan of $500,000,000, $250,000,000 of which could be paid to us in gold, and deposited in the treasury as a 25 per cent reserve against a possible issue of a billion dollars of national currency in case we should require that money in connection with this war. I believe that would have been a better way of financing under the present circumstances, and it would not have been over-straining the banks, as we may be doing now, in asking them and the Canadian people generally to finance Canada. At the present time there is a super-abundance of capital in New York. To my mind we should proceed on very large lines, and when the opportune time arrives—and I believe it has arrived to-day—we ought to avail ourselves of it. I should like to have seen the Minister of Finance re-organizing the currency of this country.

Sir WILFRID LAURIER: On what line?

Mr. W. F. MACLEAN: I would withdraw from the banks the privilege they now have of issuing a bank currency, and in place of that I would allow them to draw on the national currency in practically the same proportion. I would let them have money at one per cent, and grade it up. That would give them the same resources they have to-day under the system of bank

currency, and it would enable us to establish a bank of re-discount such as they have in the United States. I believe the Canadian banks would consent to be parties to a bank of re-discount very much on the line of the United States system. Practically every civilized country in the world to-day with the exception of Canada, has a national currency and a system of re-discounting. This method of financing is modern; it is sound; it has been justified by practice; and it gives a nation and a Government an elasticity of credit, and affords greater facilities and larger credit to the business of the country. I am convinced that it is not only sound, but in the interests of the country. Some may say that I am proposing what may be called rag money, but I do not think a national currency backed up by a gold reserve of at least twenty-five per cent would be a dangerous, a soft, or an inflated currency. It would be a currency and a system of banking equal to the growing requirements of the country, and equal to war conditions as they are. To my mind, because of the dislocation caused by the war, we cannot carry out the work of reorganization in Canada without an absolute reform in our system of financing. To do it right we must have a national currency. If we had that, Canada could help finance the Mother Country in her expenditures on munitions, and it would also bring us a lot of business.

We are moving along those lines now, but in a small, picayune way; we are asking the banks to finance a loan of $75,000,000 for the use of the Imperial Munitions Board to pay for orders for munitions. We should put that load, not on the banks, but on the credit of Canada as a nation and as a country having a line of credit, and if we had the courage to have a national currency and a bank of rediscount, we would take a great load off our banks, and we would be able to finance not only our own country, but the Mother Country. Canada's credit to-day is equal, if not superior, to that of every other country in the world, and if to-day we offer a loan on the New York market for $500,000,000, the same amount as the Franco-British loan, the Canadian loan would sell at a better price and at a lower rate of interest than did the Franco-British loan.

Mr. NESBITT: For what purpose would you borrow that $500,000,000?

Mr. W. F. MACLEAN: For the purposes of Canada. That is the very point I am coming to.

Mr. A. K. MACLEAN: Who would lend you money on such grounds?

Mr. W. F. MACLEAN: Who would?

Mr. NESBITT: England was borrowing money to pay for supplies produced in the United States. What excuse would you give for borrowing $500,000,000?

Mr. W. F. MACLEAN: I would borrow $250,000,000 as a 25 per cent reserve against a possible issue of national currency up to $1,000,000,000, if such an issue became necessary.

Mr. A. K. MACLEAN: What excuse would you give?

Mr. W. F. MACLEAN: I would give the same excuse as we are giving now in connection with the $75,000,000 which the Minister of Finance proposes to borrow, that is, for the general purposes of Canada. I am not going to give all the details of the proposal, but I am asking this House to finance on more modern methods and to use the national credit in order to have a national currency, and to lessen the weight on the banks and on our people by improving our banking system. The Minister of Finance speaks of the banks financing a loan of $75,000,000. I am told that orders for munitions of war to the extent of $1,000,000,000 would be placed in this country if they could be financed. Well, we are to have a loan of $75,000,000 now and the banks are to finance it. I do not quite know how they are to do that; I can only imagine, and perhaps my imagination is wrong in the matter; but it may be that the banks will be able to raise the money to pay for those munition orders that we have heard about by issuing a Canadian national currency against the deposit of British bonds with the Minister of Finance. Such a scheme, if it could be carried out, would be all right; but it ought to be carried out on much broader lines. We ought to start with a national currency and the creation of the Bank of Canada, as I would call it, which would be a bank of rediscount and which would rediscount for all the banks of Canada any paper or any securities that they cared to deposit with it. In other words, the Bank of Canada would be an organization for

4 p.m.

the emission of the national currency to the banks as they required it, on rules and regulations to be made by Parliament and by the Department of Finance, and it would also rediscount for the banks any securities that

they had to offer. In that way our banks would be largely relieved from the duty imposed upon them of financing Canada, not only for general purposes but for war purposes, and of helping to finance the Imperial Government in connection with the war.

My proposals may be radical, but I do not think they are, because they have been carried out elsewhere; and in discussions which I have had with gentlemen who have been in America in connection with the financial situation in Europe and the financial requirements of Great Britain, I have been informed that the best way to assist in the finanacing of the Mother Country and of ourselves would be to have the courage to adopt these two modern systems of banking which I am advocating. We have them in skeleton form now, but we do not have them on our statute book as an essential and integral part of the financial organization of Canada. We are to-day rediscounting in a way for banks, and we are using the national currency in order to aid various proposals, but we are doing it in a roundabout fashion. We ought to do it in a broad way, and the time to do it is now if the opportunity has not already passed. We could, however, place a large loan on the New York market; we could use a portion of that loan as a gold reserve for the issue of a national currency, and in that way we could permit our banks to devote all their energies and all their credits to the reconstruction of Canada which must ensue after the war is ended. There are two duties resting on our shoulders at the present moment; the first is to carry on the war and help the Mother Country in every way; the second is to take care of Canada and to see that there is abundance of money for the reconstruction of the country, and the surest and fairest way of providing the necessary money is by an issue of national currency, and by having a bank of rediscount. As long as I am in a position to do so, I intend to present to the people of this country the fact that this practice, which has been the practice in other countries, is the proper method of financing in Canada.

There is a demand in the Canadian West for a system of farm credit, and the same demand is pressing from the other provinces. We must give our farmers a system of credit which will be an improvement on the present system. At the present time we are making petty amendments to the Banking Act allowing our banks to extend their practice in the making of loans to our farmers; but the way to get credit for the farmers of this country and to put money at a cheap rate at their disposal for the development of their farms, the purchase of livestock and things of that kind, is to have a system of farm credit based upon the credit of the nation. The proposal that has been put forward in the United States, and that will be passed in an amended form, is based largely on the authorization of the United States Government to deposit its moneys and its own currency with land banks. No currency in the world to-day is equal to the national currency of the United States. If we had here such an abundant national currency, based, as I have said, on the necessary gold reserve, we could make advances to these land banks by way of national currency, absolutely secured in every case by mortgage. We could create an investment security that would probably run at 4 or 5 per cent; that would give our farmers abundant money at a lower rate. If we reform our currency system and our financial and banking system now, in this time of war we shall finance ourselves better than we are now doing; we shall do more for the Mother Country than we are now doing. Besides, by taking this course, we would help the general business of the country, strengthen the Canadian banks, and assist the Canadian farmers. The only argument that I have ever heard against the suggestion I make now is that it would strike a blow at the banks that now have a bank currency. I say it would not. Provision could be made whereby they would have just as liberal a currency as they have to-day; they would have to get it from the nation, and the nation would have security for it. We cannot succeed in business, competing with the United States, if we have not as good a banking system as they have. They are ahead of us in this respect; the reorganization that was effected within the last two or three years in the United States was the result of most careful inquiry by a commission appointed by Congress a good many years ago. After examining the history and methods of banking organizations all over the world, they came to certain conclusions, which have been embodied in the system now prevailing in the United States. They are carrying the system of re-discounting further now by providing an abundant credit for the farmer. I repeat that we shall not be able to

do our duty by our own country or by the Mother Country until we have as good a banking and currency system as they have in the United States. That we recognize the value of their methods is proved by our imitating them, though only in a half-hearted way: we are rediscounting, through the Minister of Finance, for the banks, but not as they do it in the United States. We are going to have some kind of system of farm credit for our farmers; I am glad to know that the minister has put himself on record in connection with that. To my mind, however, he has not come right up to the full opportunity that is before him, and I hope that he will widen his views in this respect, having regard to the enormous requirements of the country at the present time. We are only beginning to hear of these requirements. We have heard of two requirements of $75,000,000 to-day, an advance to the Mother Country for munitions, and a very large loan, in connection with which the Prime Minister is going to bring down legislation. Why not make a combination of the whole thing on the newest and most approved lines of banking and national finance? If he should do that, the minister would widen his reputation, improve the condition of affairs in Canada, and allow this country to be a still greater help to the Mother Country in the present hour of trial.

Hon. RODOLPHE LEMIEUX: I do not rise with a view to obstructing the adoption of this resolution. I have some confidence in my hon. friend the Minister of Finance; I think he is a well-meaning Finance Minister, and if he were left to his own good self, the administration of the Finance Department would be carried out in a manner satisfactory to the Dominion at large. Unfortunately, he has been frequenting certain company of late, and I fear that in consequence he may become somewhat given to unwise expenditure. I observe that this money is to be applied to public works and to meeting expenditures for general purposes authorized by Parliament. I am not forgetting, in the crisis through which we are passing, that I represent a farming community, where a dollar is a dollar and a shilling a shilling, and where the people have learned the four rules of arithmetic. In view of the fact that so many loans are cropping up, one after the other, the time has come for the Government to curtail expenditure. I repeat what I said the other evening when I had the honour to address the House on the Budget: we should have a round table conference, where the representatives of the two parties could unite in applying the pruning knife to the Estimates. While we are passing through this awful crisis, I think we can easily save to the country at least a quarter of a million dollars. The hon. member for South York is sailing under false colours. He is a radical with a false label. Interesting as his argument is for a change in the national currency, when the Minister of Finance is proposing to borrow more money from the United States I should expect from the hon. member for South York another argument than the one that he has just offered to the committee. I would remind the hon. gentleman of a certain issue of the Toronto World, which appeared at a time preceding the elections of 1911. I remember that it was during the dog days—July, if I mistake not—and, as it was very hot, my hon. friend was represented as addressing an immense meeting on the outskirts of Toronto, not far from his own constituency, with his coat off. He was arguing against that awful reciprocity pact, and he was telling the electors of South York that the Canadian people should not truck or trade with the Yankees.

Mr. W. F. MACLEAN: Never.

Mr. LEMIEUX: He was telling them that we should do nothing with the Yankees.

Mr. W. F. MACLEAN: Never.

Mr. LEMIEUX: To-day he has another theme. He suggests a change in the national currency, but he has nothing to tell my hon. friend, who was one of the leaders of the noble eighteen in Toronto who attacked so vehemently the last Administration because, forsooth, a pact was made between the American Government and the Canadian Government by which there would be the right to exchange certain natural products between the two countries. Nobody was compelled, according to the Fielding-Knox pact, to do business with the Americans. The Canadian people were left perfectly free to sell or to buy from the United States, but in the present instance, to my great horror, I find my hon. friend the Minister of Finance coming before this Parliament asking for legislation by which he will be authorized to borrow the sum of $75,000,000. It is not stated in the resolution that he will borrow it from the United States, on the New York market, but he has just stated in so many

words that he is not going to issue a domestic loan but that he is likely to get this money from the Americans in New York. I am simply shocked to hear my hon. friend, my honest friend, the Minister of Finance, coolly proposing that this Canadian Parliament should authorize him to borrow money from the Yankees. I am sorry that Old Man Ontario is not in the House to-day. I see many of the representatives from Ontario. What would they say if their electors were in this House to-day? Or what would their electors think if they were here this afternoon and heard this discussion, and heard the Minister of Finance proposing that Canada should borrow $75,000,000 from those awful Yankees in New York? We remember how one of the apostles of the Conservative party in the last election stated that with the Reciprocity Treaty the banking accounts of Canada would be transferred from Montreal, Toronto, and Winnipeg, to Chicago and New York, and that Canada would become the backyard of the United States and we also remember——

Mr. WILCOX: It was Taft who said that.

Mr. LEMIEUX: We remember what scorn was expressed by hon. gentlemen when the Taft letter appeared in which mention was made of Canada becoming an adjunct of the United States. Well, Sir, for the second time this fiscal year, Canada is going, by her representative the Minister of Finance, on the New York market to borrow money from the Americans. When my hon. friend made his loan of $45,000,000, I noticed some very harsh criticism in the financial papers of the country because of the way the loan had been underwritten in New York. It was said that the rate of interest was rather high for such a good security as the one offered by my hon. friend. It was stated that this loan would affect adversely other loans made by Provincial Governments or by municipalities in the Dominion. How is he going to underwrite this loan? Of course he may not think it wise to give the House the procedure he is going to follow, but, at all events, I think we should be made aware of this fact, whether or not tenders will be called or whether it is going to be underwritten by one commercial firm without others competing.

Sir THOMAS WHITE: My hon. friend (Mr. Lemieux) has touched on several matters, from reciprocity to the proper method of floating a loan. I have always observed that when a matter is much upon one's mind he frequently refers to it, and I am sorry to think that my hon. friend has not yet got over 1911. Time heals all things, but it does not seem to have been effectual in the case of the defeat on the reciprocity issue. There is nothing further from my thoughts than political controversy. Since this war broke out, I, in common with other members of the Government, have had what I might describe as fairly heavy responsibilities, and I have not had any heart for political controversy of any kind. Therefore I shall not discuss with my hon. friend the reciprocity issue, which has been dead and buried, in my view, for some years now, except to call his attention to this: He speaks of borrowing from the United States. My hon. friend knows, as every hon. member in this House knows, that Canada has bought from the United States for years past much more than she has bought from any other country. Our imports from the United States have been enormous. When we make a loan we simply buy money. We are not doing anything different in buying money from the United States from what we have been doing for many years in buying goods from the United States.

Sir WILFRID LAURIER: Hear, hear.

Sir THOMAS WHITE: My hon. friend says hear, hear? My hon. friend needs enlightenment also; but in the case of a man of the acumen and the discernment of the right hon. leader of the Opposition, it has always been a marvellous thing to me that he has never been willing to admit—although I suspect that in his heart of hearts he knows it—that the really serious feature of the reciprocity agreement was the fact that he was making the agreement at all, that he was fettering Canada in the matter of her tariff arrangements. I have never said, I never heard any one else say, that Canada should have no truck or trade with the United States.

Mr. LEMIEUX: Oh, oh.

Sir THOMAS WHITE: On the contrary, the whole history of Canada has been, as I have stated that we have—

Mr. E. M. MACDONALD: You carried on a bill board campaign.

Sir THOMAS WHITE: I certainly never saw it on a bill board or heard it from any one that we should have no truck or

trade with the United States. The fact is that we have been buying from the United States much more largely than from any other country. Therefore, there is no departure in principle in borrowing—which, as I have stated, is buying money,—nor do we, by borrowing this money, in any way fetter ourselves in respect to our fiscal freedom. There is no interlocking of tariffs, to use the term of the right hon. Prime Minister in what we are doing to-day, nor would my hon. friends have been defeated, if instead of submitting the reciprocity pact to the people, they had made the sole issue such a transaction as I now lay before the House.

Some hon. MEMBERS: Oh, oh.

Sir THOMAS WHITE: I said, "the sole issue."

Mr. GRAHAM: Reciprocity is the only issue my hon. friend fought us on.

Sir THOMAS WHITE: If my hon. friends' other sins had been added, the result would have been as certain as it was in 1911.

Mr. GRAHAM: My hon. friend fought us only on that one issue.

Sir THOMAS WHITE: Reciprocity—

Sir WILFRID LAURIER: He was all right on the others.

Sir THOMAS WHITE: My right hon. friend has a charm all his own. I may say that since coming to Ottawa I have discovered a great deal of the doings of the late Administration that I never even suspected.

Mr. GRAHAM: My hon. friend would learn a good deal about his own Government too, I suppose.

Sir THOMAS WHITE: To get back to our muttons—my hon. friend has asked me a rather leading question as to the methods of financing our loans. I may say to him that in my view, in the public interest, it is not of advantage to discuss that phase of the question at present, but I do think it is fair, in answer to my hon. friend, to give him my views with respect to the matter of asking for tenders. It is perfectly clear to me, and it is the opinion of the best financiers, that for large loans, loans to governments, loans running up to $25,000,000, $50,000,000, $75,000,000, or $100,000,000, good results cannot be obtained by the tender system. It has never been followed in this country by any Government. The policy adopted in the past is the policy which I have continued, and I believe it is the sound policy. We usually negotiate through the Bank of Montreal, and negotiation is carried on for a considerable period, and every precaution is observed to get a proper price for our securities, having regard to the market conditions. The loans are placed in the utmost good faith with the sole idea of doing the best possible for the Dominion. I think that has been proved with regard to all loans placed by this country; at least, I do not know anything to the contrary. The traditions of the Finance Department have been good, and I hope to hand them on unimpaired in that respect. Since this war broke out financial conditions have been most trying; they have been kaleidoscopic, as I have before stated. Transactions in time of war cannot be judged by transactions in the preceding period of peace. The minister finds himself in the position of simply doing the best he can.

My hon. friend has referred to the loan of $45,000,000 which we negotiated last August in New York. There was some criticism in the press, I think rather natural criticism, for this reason: Municipalities and provinces had been borrowing, or were about to borrow, and the community had not really become aware of the changed conditions which existed. I may say to my hon. friend from Rouville (Mr. Lemieux) that in England, when the British Government departed from the 3½ per cent standard, and got on the 4 per cent standard, and departed from the 4 per cent, and got on the 4½ per cent standard, all the municipalities were more or less disturbed, because it established a new rate for loans. Let us take the situation that existed when I placed the $45,000,000 loan in August last. In my opinion, that was one of the most useful loans that had ever been placed by the Government of Canada. It served Canada admirably well, and it served the Imperial Government admirably well, and paved the way for the $500,000,000 Anglo-French loan. The loan which we negotiated last August aggregated $45,000,000: $25,000,000 one-year notes, maturing on August 1, 1917; $20,000,000 two-year notes, maturing on August 1, 1918, coupled with a provision to take Dominion 20-year bonds at par, maturing in 1935.

I do not desire to go into details, except to say this: the rate of commission paid was exceptionally low, being three-quarters of one per cent. I do not know of any transaction that has been negotiated to bet-

ter advantage in New York since the outbreak of the war. It is only fair to say that the commission of three-quarters of one per cent was in respect of one and two year securities. In England, the ordinary rate of commission, as this House has been informed on numerous occasions in the past by myself and by my predecessor, runs from 2 to 2½ per cent upon what might be called permanent borrowing, not upon treasury bills. The situation in England last year was this: The British Government, in June last, was about to place the largest loan in the history of the world on the British market. We had arranged to be allowed to borrow in England, as I stated, I think, in my Budget speech a year ago, a total of—I am speaking from memory—I think, $80,000,000 for public works, and for the general purposes of the Dominion. When I say that we had been allowed to do so, I have in mind the regulation of the treasury department to which I referred in my Budget speech a year ago, and under which the British Government practically took possession of the British market for Imperial purposes. Without the consent of the Imperial Government it would not have been possible for any government or municipality to borrow in England. It was my purpose, at the time I obtained that consent, to borrow in England in the usual way, by issuing securities at such rates as we should be obliged to pay. Coming to April of last year, we had borrowed £5,000,000 of the $80,000,000 which had been placed, and in the ordinary course we should have gone upon the British market again in June and July. We had treasury bills to the amount of £3,000,000 maturing in June which had been negotiated the previous February. Two things happened: In the first place, the British Government were about to place the large loan of $3,000,000,000, and hon. gentlemen will realize what effect that would have upon the British market. The British Government had to go upon a 4½ per cent basis. In addition to that, the exchange situation was more serious than it had ever been, I suppose, since the Civil War. I could have put out two or three or four million pounds of treasury bills in Great Britain at 5 to 5½ per cent; I have the cables from the Acting High Commissioner, Sir George Perley, to that effect. But in order to get the money out here, I should have had to pay in August of last year 5 per cent on the transfer; that is to say, if I had put out treasury bills in London for one, two, or three million pounds, I should have been obliged to pay 10 per cent, because it would have cost me 5 per cent to get the money over here. In view of those conditions in the British market by reason of the flotation of that enormous war loan (which was a most conspicuous success), by reason of the exchange situation, and by reason of the further fact that we did not desire to be selling sterling exchange in competition with the Imperial Government, which was facing the exchange situation, to which I have referred, in making their purchases on this side of the Atlantic, we determined to venture in the New York market. Canada had never before made a loan in New York. I took the matter up through the usual channel, the Bank of Montreal, which acts as fiscal agent for the Dominion, and we carried the negotiation on quietly. No intimation reached the public until the loan was announced. The negotiation lasted for two or more weeks, and I desire here to pay tribute to Sir Frederick Williams-Taylor, the General Manager of the Bank of Montreal, who has acted for myself, as Minister of Finance, and for the Government upon many occasions.

Mr. LEMIEUX: No better man.

Sir THOMAS WHITE: I heartily agree with my hon. friend in that. The loan was negotiated to a point where we felt it was an absolutely fair transaction, having regard to the conditions that there existed. We enlisted the support of the strongest interests in the city of New York. There are two things that must be borne in mind in connection with every loan. In the first place, regard must be had to the terms, and that is a matter of negotiation. The terms should be judged by the prevailing financial conditions. The second feature to which regard must be had is the fact that it is extremely desirable that a loan should be a success, that is to say, that the loan should reach a premium. I need not say to the members of this House that it is very desirable to have a market in which your loans are a success. Therefore, that aspect of the matter must not be overlooked when considering the question of price. That loan was negotiated in New York, and it was one of the most useful loans ever placed by the Dominion Government. It was particularly useful having regard to the exchange situation prevailing last August, it was decidedly in the Im-

perial interest and it paved the way for the Anglo-French loan of $500,000,000.

To come back to the question asked by my hon. friend; it is a fact that a new basis was established for securities; that is to say, a new basis appeared to be established for securities, but in reality, as I stated to the general manager of the Bank of Montreal after the transaction had been concluded, the fact was that the basis had existed but it was not known that it did exist. The market had been an uncertain one. When bond houses would attempt to place securities, there was doubt as to what price should be paid, and there was a certain difficulty in placing securities, but when the true price was established by the Dominion flotation in New York, the air was cleared and people knew what they had to face in the way of interest rates, and they faced them. The result has been that there has been a first-class market in New York for the higher grade of Canadian municipal and provincial securities.

This loan of ours in New York paved the way for the Anglo-French loan of $500,000,000. It is true that there was some criticism in the press in regard to my financing in New York. As I stated, that was natural, because the rate of interest was higher than we had ever paid before, but after all, the sound sense of the community soon realized that the war had entirely altered conditions and that the price was a fair one under the circumstances. Any doubts that any persons may have had at that time were dissipated when, headed by the Lord Chief Justice of England, a man who had had wide experience in finance, and representatives of the British treasury, the Imperial Commission, including a great banker of London, came over to negotiate the $500,000,000 loan. What was the result? The result was that the arrangements which had been made by the Canadian Government through the Finance Minister and Sir Frederick Williams-Taylor were more favourable than the arrangements made by the Imperial Commission. I had forgotten to mention that the gentlemen whom I have named were accompanied by representatives of the French Government. That Commission, representing, as they did, the Imperial Government and the French Government, and pledging their joint credit, were not able to obtain as good an interest rate, or to negotiate on as fair a basis of borrowing, as the $45,000,000 loan was negotiated on. Of course, no reflection whatever is made upon the commission which negotiated the Anglo-French loan. I think they handled that very important matter with great tact and ability, but the facts had to be faced, and among the facts are the interest rate and financial conditions.

It is very illuminating to read, in the financial history of the American Civil War, of the action taken at first by the Secretary of the Treasury in the matter of floating loans. They did not believe, of course, that the war would last so long as it did, and they were naturally reluctant to face market conditions or to face the high interest rates which prevailed. They had in mind that before the war they could borrow money for 3½ or 4 per cent; they were reluctant to place themselves on a 6, 7 or 8 per cent basis, and some short date loans were negotiated, loans which fell due while they required to make further borrowings, and the result was that a very serious condition developed in their finances. The principle which I have been endeavouring to follow since this war broke out is this: I realized that there was a world financial condition which must be faced. You must face the facts. I have believed that this war is going to last a considerable time. I made up my mind that the true policy for the Government to pursue was to face the facts, to face the interest rate, and to avoid, so far as it was possible, short date borrowings. What I mean is this: In the first place, short date borrowings may provide for the time being, but you may need fresh borrowings for the purpose of the war; secondly, after the war there is always a period of so-called reconstruction, in which it may be very necessary that you should have available your full credit resources for the purpose of the nation in that period. No matter who may be the Finance Minister of this country, no matter what the Government of the day may be, it is the duty of the Minister of Finance at this time to face the existing situation and borrow for longer dates rather than for shorter dates in order that these short date loans may not mature during the remaining period of the war, or in the period immediately succeeding the war. I believe that such a policy will meet with the approval of this House and of the financial and business community.

In regard to the $45,000,000 loan, I would very much rather have made a five or ten-year loan, but the conditions at that time were such that I could not make a five or ten-year loan, and the result is that I had to make a one or two-year loan, and I had

to give an option which at the time I would much rather not have given. The transaction was carried out to the best of the ability of those who negotiated it and in the result I think it stands out as rather a notable instance of a loan, negotiated for the first time in a foreign market, on exceptionally favourable conditions having regard to the market situation at that time.

I have dealt sufficiently with the matter of the Canadian loan of $45,000,000 in New York. Now, I come to another matter mentioned by my hon. friend, and I think quite properly, and that is the question of economical administration. Since this war broke out, I do not know what policy the Government could have adopted that would have given better results along that line than we have achieved. As far back as a year ago last June—because this war was casting its shadow before us and financial conditions were very trying before the war broke out,—the policy was adopted of going ahead only with works under contract until conditions should improve. It is not the smaller expenditures that give us trouble, it is not the little wharf here or the little dredging yonder, or the customs house there, that add materially to the expenditures of the Dominion; it is the larger works which have been under construction. It might be asked: Why did you not stop last year the construction of the National Transcontinental railway? It would seem to be that public opinion would not support a Government in stopping that construction. It would only mean grave injury to the line and to all parts of it. We therefore could not shut down on the construction of the National Transcontinental; nor could we very well shut down on the Quebec Bridge. It is true we could serve notice on the contractors, and break the contract. But the plant is there, and the contractors would undoubtedly have an action for damages. Then there is the further fact that the spans of the bridge that are already in place would undoubtedly deteriorate. We therefore decided to continue the construction of the bridge. The Welland Canal was also under construction. The Welland Canal project was embarked upon with the consent of both parties in this House before the war broke out. It is under contract for construction, the contractors have their plant there, and contracts for certain sections have been let; but no contracts for new sections have been let since the outbreak of the war. I have heard both my right hon. friend the leader of the Opposition, and the hon. member for South Renfrew (Mr. Graham), in a discussion in this House before the war broke out, state that they were in favour of the enlargement of the Welland Canal, and also in favour of the Georgian Bay Canal. Therefore, I do not think that this Government can fairly be attacked for not having discontinued work upon these large enterprises, which take the major portion of our expenditures apart from the necessary expenditures on Civil Government. I assume that that is common ground. I do not know how this Government could have been more economical than it has been in regard to public works since the war broke out, for since about a year ago last June we have embarked upon no new works, except possibly some by way of repairs. We have discontinued new works, and gone on with works only so far as it was necessary to go on with them, and if hon. gentlemen opposite can tell me how we could have been more economical than that I should like to hear their suggestions.

There is another point. At the time this war broke out there was a very trying period for general business for many months. There was a profound dislocation and interruption of business in this country, and I say it was a good thing for Canada that we had a fairly large programme of public works under construction at that time, because it minimized unemployment. It seems to me it would have been most unwise for this Government, at that, of all times, to have discontinued expenditures on public works, and further unsettle the entire community. My hon. friend from Pictou (Mr. Macdonald), who I am sorry is not in his seat, referred the other night to increases in the public debt of Canada. I desire to say that no sound conclusion can be drawn from the mere fact of an increase in the public debt of Canada in any one year, or in any period of years. The real question is not whether the public debt has been increased, but whether the money borrowed has been wisely expended. I have never taken up this question of an increase in the public debt, except in defence of the Government when charges have been made, as they frequently have, that we had greatly increased the public debt. But, as the question has been raised, I desire, for the information of the House, and not in any controversial spirit, to lay upon the table the net debt of Canada from 1903 onwards. Speaking briefly, I may say that in 1903 the net debt was $261,000,000. In

1911 it was $340,000,000, or an increase of $79,000,000. I am not making any criticism as to that increase. In 1912 the net debt was $339,000,000. In 1913, the first year this Government was in power, the net debt was $314,000,000, or a reduction of $25,000,000. In 1914 the net debt was $335,000,000. In other words, on the 31st day of March, 1914, (that is to say, at the end of the fiscal year before the war broke out) the net debt of Canada was less than when this Government took office by $5,000,000. Then the war came on.

It is true that the net debt of Canada has increased for 1915 to $449,000,000. It is also a fact that, apart from the war, the national debt has increased by something over $50,000,000. But, the other night, when the hon. member for Pictou was dealing with this question, I referred to the fact that our revenues had been cut in half from August, 1914, the date of the outbreak of the war, onwards. Where we were getting $10,000,000 a month before, we got only $5,000,000 after the outbreak of the war. Maintaining our expenditures as I have already stated we did, for the purpose of minimizing unemployment in this country, and with our revenues decreasing until the tariff was brought down in February, only one result could accrue, and that was an increase in the national debt. But I do not believe that the fact of an increase in the national debt, by reason of conditions brought about by the war, is any just ground for criticism of this Government.

There is another point which, as the hon. member for Rouville has raised it, I may as well deal with now. Hon. gentlemen opposite, when Estimates have been up from time to time, have frequently repeated a statement which was made in the first instance by the hon. member for St. John (Mr. Pugsley). That statement was made in the first instance by the hon. member for St. John on March 3, 1916, and appears in the unrevised Hansard as follows:

> Mr. Pugsley: The hon. gentleman who is in charge of these Estimates (Mr. Hazen) will recollect that the Minister of Finance stated that there were items in these Estimates aggregating about $29,000,000 which the Government thought it would not be called upon to expend in the coming year. If the minister would state the items in this department that go to form part of that $29,000,000, it would facilitate the work of the committee.

That statement has been repeated by hon. gentlemen opposite time and again on the occasion of ministers taking up their Estimates. As a matter of fact, I said nothing of the sort. What I stated in my Budget speech was that it was the policy of the Government not to proceed with works not actually under contract. What the hon. member for St. John adduced from that was this. He said: Your total Estimates are $188,000,000; you say you are going to have an expenditure of $160,000,000; subtract $160,000,000 from $188,000,000 and you have a balance of $28,000,000, which you say you are not going on with; will each minister therefore kindly explain the items that will be embraced in that $28,000,000? I need not say to this House that that is an absolutely fallacious inference. The hon. member for St. John proceeded on the assumption that there was no difference between the Estimates and expenditure; that is to say, estimate of works that are being gone on with, and the expenditure that will be made upon them. It is well known that there are always lapses, and in order that the House may have full information on this point, and that there may be no repetition of a statement which is manifestly erroneously founded, without going back too far, I desire to call attention to the fact that in 1910-1911 the difference between the expenditure and total Estimates was $17,000,000; in 1911-12—the last year that my right hon. friend opposite was Prime Minister—the difference was nearly $30,000,000; in 1912-13 the difference was $35,000,000; in 1913-14 the difference was $41,000,000; in 1914-15 the difference was $46,000,000; in 1915-16 the difference was $32,000,000; and in 1916-17 the difference is $28,000,000, that is to say, the difference between the estimated expenditure and the Estimates actually laid upon the table of the House. Now the Estimates that have been laid on the table represent items which have been adopted by Parliament.

We have placed them in the Estimates because they have been voted before. The war has interrupted the progress of these works, and I laid down the policy of the Government in the Budget speech when I stated that it would not be our policy to go on, during the period of the war, with those works not actually under contract. The reasons, of course, are obvious: Our expenditures for war are so great, and the financial demands upon us will be heavy. Apart from that, there is no necessity today for furnishing employment, because at the present time it is very difficult to get help in this country for our industries.

Mr. LEMIEUX: Why did you keep those items in the Estimates?

Sir THOMAS WHITE: There is, and always has been a difference between estimates and expenditures. I desire to read a statement made by my predecessor, the Hon. Mr. Fielding, with reference to this very matter, because it is clear that the Opposition at that time had a habit, which seems to be followed by the Opposition of to-day, of raising the question of lapses. This question came up in 1907, and I have no doubt it has come up on almost every occasion on which a Budget speech has been delivered. Mr. Fielding, as reported in Hansard of 1907, volume IV, page 7859, said:

> Mr. Fielding: I assume they are. I observe my hon. friend is not content with taking the ordinary appropriations of the year but he takes everything that it is possible to take, everything that is in sight, everything that is not nailed. He takes the appropriations for the ordinary works, he takes the appropriations for capital account, he takes the appropriations for railway subsidies, he takes the appropriations for everything that can be thought of. Well, that is all legitimate enough as a statement of the appropriations of the year, but it is apt to convey a very misleading impression; it is apt to convey the impression that it is proposed to expend these moneys within the year. Now, as respects a considerable part of these moneys they are not expended within the year and are not likely to be expended for several years. There are millions in that vote to which my hon. friend refers, which have been included in his calculation two or three times. Take the railway subsidies. We are voting not one dollar of new railway subsidies this session but a revote of appropriations of former years. They have appeared in the calculations of my hon. friend, they have appeared in his budget of gloom at the close of each session; but they were not expended, they never added a dollar to the obligations of the Dominion of Canada. But now that they are being revoted they afford an opportunity to my hon. friend to include them again in his budget. I am afraid some of them will turn up in future years and he will be able to include them again, because it is quite likely that a number of these expenditures will not be made within an early time, though we would be pleased if they were. If we could be assured that every mile of these railways would be built within the next four years, far from complaining we would be pleased to have it so, because it would make for the general improvement and development of the country.

Now, my hon. friend from Pictou (Mr. Macdonald) happens to be here, and I made a reference to some remarks of his the other night. While I do not desire to repeat, what I said was in substance this.

Mr. MACDONALD: I would like to ask my hon. friend if he regards the remarks of the Hon. Mr. Fielding as being at all applicable to the present situation. Mr. Fielding was speaking about a number of appropriations for railway subsidies which certainly would not be paid until they were earned. If my hon. friend were asking for appropriations for railway subsidies, that would be a different matter; but we are not speaking about railway subsidies at the present time. Mr. Fielding was also speaking about public works in connection with which the amounts were not going to be spent in that particular year, but preliminary surveys were to be made, locations to be determined, etc. Does my hon. friend intend, under the items that he is including in these Estimates, to go on with the purchase of sites for public buildings, to employ surveyors for the purpose of making surveys for public works, and to do preliminary work of that kind? That was what the Hon. Mr. Fielding was referring to, and he pointed out that it was impossible to use the money until the preliminary work was done.

Sir THOMAS WHITE: I am sorry my hon. friend was not in when I was speaking before, because I discussed the matter pretty thoroughly. My hon. friend misunderstood the trend of my argument, which was this: The hon. member for St. John stated:

> The hon. gentleman who is in charge of these estimates (Mr. Hazen) will recollect that the Minister of Finance stated that there were items in these estimates aggregating about $29,000,000 which the Government thought it would not be called upon to expend in the coming year. If the minister would state the items in this department that go to form part of that $29,000,000, it would facilitate the work of the committee.

This statement of the hon. member for St. John has been made on several occasions in Committee of Supply. What I desired to point out was that I made no such statement as that attributed to me. The hon. gentleman (Mr. Pugsley) reached his conclusions in this way: he said: Your Estimates are $188,000,000 and your expenditures for the coming year, apart from the war, will be $160,000,000 or a difference of $28,000,000. Therefore there are in the Estimates items amounting to $28,000,000 which you are not going to expend. I pointed out, before my hon. friend came in, that that argument was erroneous for this reason, that with regard to those works, that are under contract at the present time, and which we are going on with, there will be lapses as there always have been in the past, and I read a statement to the House in which I showed that in 1910-11 there

was a difference between Estimates and expenditures of $17,000,000; in 1911-12, of $29,000,000; in 1912-13, of $35,500,000; in 1913-14, of $41,300,000; in 1914-15 of $46,000,000, and in 1915-16, of $32,000,000.

Mr. MACDONALD: Does my hon. friend then mean to say that in regard to the Estimates this year in reference to which he said:

New works would not be undertaken until the financial outlook became clearer—

he is not going to economize any more and not going to do anything different from what was done by the former Minister of Finance.

Sir THOMAS WHITE: I am sorry my hon. friend was not in the House, because I do not like to repeat all my argument, but I have so much respect for my hon. friend that I shall dwell on it a little.

5 p.m. When I stated the other night that I did not take the remarks of my hon. friend seriously, I said what I regarded was a delicate compliment to his intellect, because his remarks were, to say the least, strange. I stated what was the policy that we followed on account of the outbreak of the war and the enormous additional expenditure devolving upon the Dominion, and, I believe, it is a right policy. We determined that we were not going on with new work until conditions permitted. I stated, in my Budget speech this year, that while the war was on our policy would be not to go on with new works which were not actually under contract.

Mr. MACDONALD: Is that a new policy, or are you only doing what Mr. Fielding did?

Sir THOMAS WHITE: Mr. Fielding gave me nearly all the troubles that I have had during the last four or five years. I was stating before my hon. friend came in, that it has not been the little armoury here, nor the little post office yonder, nor the custom house in the other place that has given us any financial difficulty.

Mr. MACDONALD: You are not answering my question.

Sir THOMAS WHITE: I am answering. The vast expenditure of this Dominion has been the expenditure that we have had to make in connection with the Transcontinental railway, the Quebec bridge, and other public works undertaken by the late Government.

Mr. OLIVER: The Welland canal.

Sir THOMAS WHITE: I do not want to draw all the Liberal skeletons out of the closet and show them up here; I have had my troubles with them.

Mr. OLIVER: That is your own skeleton.

Sir THOMAS WHITE: When my hon. friend from Pictou had the audacity, with a perfectly serene countenance and without a blush, to accuse this Government of being extravagant——

Mr. MACDONALD: I will do it again.

Sir THOMAS WHITE: —when he knew that the great burden that is being placed on us has been in connection with work inaugurated by our predecessors and carried on by us, it is no wonder I said that I did not take my hon. friend seriously.

Mr. MACDONALD: Would my hon. friend explain the marvellous increase in the expenditures in the Public Works, Post Office and Immigration Departments, and in the other departments to which I referred the other night? If my hon. friend is an economist, he is an economist of a new type. My hon. friend might also get away from generalities and tell me whether or not his including these items in the Estimates this year is inaugurating a new policy, or whether it is only doing what Mr. Fielding spoke of doing in 1907.

Sir THOMAS WHITE: I think it is a new policy in this respect: We have stated that until conditions permit we are not going on with certain items that appear in the Estimates. I never knew Mr. Fielding to announce that; I think his policy was to go ahead with all the works in the Estimates.

Mr. LEMIEUX: Does my hon. friend think that the fact of leaving in the Estimates amounts which he says will not be spent does not affect the credit of Canada? Is it a matter of business to say: We ask this year $180,000,000, of which we intend to spend only $160,000,000? The money lenders obtain their information as to the outlay of the Dominion from the Estimates.

Sir THOMAS WHITE: I cannot imagine anything that would tend to strengthen the credit of the Dominion more than the statement that I have made. It is this: Parliament has voted many items in the Estimates the expenditure in connection with which we do not intend to go on with until conditions permit. It seems to me that

this is a strong position for the Government to take; that it makes not for the weakening, but for the strengthening of its credit. The trouble with the hon. member for Pictou is this: He is a man of fine intellectual quality, except when his intellect is clouded by partisanship. He has a temperamental partisanship, which on account of its intensity must be hereditary; I do not believe that he will ever get over it. If he were dealing judicially with a non-political matter, I should accept his conclusions, but when he attacks this Government he throws fairness and logic to the winds. My hon. friend says that we have increased the expenditure since 1911. Is there anything very wonderful in increasing the expenditure since 1911?

Mr. MACDONALD: Yes, when you have no increase in the population.

Sir THOMAS WHITE: Let us observe some of the tests by which national progress is evidenced. When this Government came into power the total trade of Canada was under $800,000,000. It grew to $900,000,000, to $1,000,000,000, and this year it is the largest in the history of Canada, $1,200,000,000. Look at the increase in the bank deposits, and judge the conditions in the country by that. My hon. friend referred to immigration. It is a fact that the immigration into this country in the years 1912 and 1913, until the outbreak of this war, was greater than it had been in the history of Canada. Hon. gentlemen opposite had engaged in great public works; they had engaged in the National Transcontinental railway. The corollary of their encouraging transcontinental railway building was that there devolved upon this Government a great deal of expenditure in connection with the development of ports—Halifax, St. John, Quebec, Montreal, Vancouver. We have had to make large expenditures for that purpose; we have had to meet enormous expenditures upon public works and undertakings inaugurated by the Government of my right hon. friend. The hon. member for Pictou says that our expenditures for 1914 were actually greater than they were in 1911. Well, that is not a very extraordinary matter. What about the expenditures of the Government of my right hon. friend in four-year periods? Could any one have the hardihood to say that the expenditure of the Government of my right hon. friend was no greater in 1911 than it was in 1907, no greater in 1907 than it was in 1903, no greater in 1903 than it was in 1901? That is the argument of the hon. member for Pictou. What are the facts? The total disbursement of the Government of Canada in 1900 was $52,000,000; in 1906, $83,000,000; in 1911, $122,000,000; in other words, an increase from 1906 of $40,000,000, or 50 per cent. I am not at this moment blaming my right hon. friend's Government for that increase, but it is a fact that that increase did take place. Yet the hon. member for Pictou says to us: you are blamable, you are chargeable, you are censurable, because your expenditure in 1914 was greater than it was in 1911. With all the expenditures which we had to meet upon the National Transcontinental railway and upon the other works that I have mentioned, and with the great development that took place in immigration and in all the business activities in this country, to me it would be a most marvellous thing if the expenditure had not increased. In any country the expenditures increase year by year. The hon. member for Pictou the other night challenged me to reply—he knew that he had the floor and that I had not—when he called attention to the growing debt. Well, would it not be a remarkable thing if, from 1911 to 1915, under normal circumstances, there had been no increase in the national debt? What about the increase of the national debt during the period of the Government of my right hon. friend? My right hon. friend would not say that the debt of Canada did not increase during his regime, because the facts would rise up in contradiction. For four years previous to 1911, the national debt of this country increased by about $70,000,000. The largest reduction in the national debt is to the credit of this Government in the year 1912-13. I do not believe it is a fair basis of comparison to say: you increased the national debt so much, and we did not increase it as much. It seems to me that that is not a sound argument, and my hon. friend should not put it forward. The real question is not whether the national debt has been increased; it is, what has the national debt been increased for?

Mr. MACDONALD: Is my hon. friend aware that his own leader characterized that increased expenditure under my leader as being so enormous and unjustifiable that it was evidence of corruption, and that he denounced that expenditure? If that logic was at all correct, and the Minister of Finance went on and increased the expenditure still further, what does he say that increase would be evidence of?

Sir THOMAS WHITE: Did the Prime Minister say it was evidence of corruption, or only prima facie evidence?

Mr. MACDONALD: What is the difference?

Sir THOMAS WHITE: I should think the increase in debt was so large for a few years, from 1907 to 1911, that the right hon. the Prime Minister of to-day (Sir Robert Borden) may have said it was prima facie evidence of corruption. Whether he said it was conclusive evidence of corruption, or not, I do not know; but certainly the fact remains that on the 31st day of March, 1914, the net debt of this Dominion was $5,000,000 less than when this Government took office, and for the four years before we came into office the increase in the net national debt of this country was about $70,000,000.

Sir WILFRID LAURIER: How much was it the following year?

Sir THOMAS WHITE: On the 31st day of March, 1914, the net national debt of this Dominion was $5,000,000 less than when we took office. I have explained to my right hon. friend what happened to the revenues of this country after the outbreak of war. I stated that our revenues had been cut in half, or were divided by three, after the outbreak of the war; that we deemed it a proper policy to maintain our expenditure on public works in order to minimize unemployment in the trying period following the outbreak of war; that it was the inevitable result of this that the national debt of Canada should be increased; and that it was a proper and a justifiable increase.

Sir WILFRID LAURIER: The reduction of the first year was only a prima facie reduction?

Sir THOMAS WHITE: The reduction of the previous year was a real reduction, not a bookkeeping reduction, and we have to our credit the largest decrease in the national debt, namely, $25,000,000, that was ever obtained in any single year in the financial history of the Dominion. But I am the first to say that this argument of: We increased the debt to so much and you increased it to so much is illogical. You can draw no sound conclusion from it, and I never use these statistics except in rebutting attacks of an unreasonable character, such as that made the other night by the hon. member for Pictou.

Mr. MACDONALD: What about the expenditures?

Sir THOMAS WHITE: I think I have sufficiently dealt with that subject, and my hon. friend will have his turn on some other occasion.

I come now to a matter that has been drawn to our attention by the hon. member for South York (Mr. W. F. Maclean). I always listen to the hon. member for South York with a great deal of interest—in a way he is a prophet.

Mr. W. F. MACLEAN: Thank God there are some.

Sir THOMAS WHITE: But there are prophets whose vision is clear and true, and there are also prophets who, as to some matters at least, are not necessarily true prophets—and then there are prophetesses like Cassandra, who was a true prophetess, although nobody believed she was a true prophetess. Whenever I listen to my hon. friend putting on his propaganda with regard to the currency I always think of the rainbow story. When I was a little boy I used to believe, in common with other boys, that there was a bag of gold at the end of the rainbow if we could only get to the end of the rainbow, and I used to look for that bag of gold, but I never found it. The propaganda which my hon. friend preaches in his journal, and on the platform, and in this House, is very attractive. It opens up a golden vista, money, plenty of it, $100,000,000, $200,000,000, $500,000,000, $1,000,000,000—put your arms into it, plenty of money for all national purposes, the purposes of Canada, or the purposes of the Imperial Government. And what is it? National note circulation, reorganization of the currency, an issue of $1,000,000,000 of note circulation with $250,000,000 of gold against it. These are the panaceas of the hon. member for South York. I believe that my hon. friend from South York, for whom I have the greatest respect and admiration, is quite unsound in the financial views which he puts forth. I feel bound to say that, because he has raised, at a critical time—at time when the people consider carefully every proposal put forward—what I regard as an impossible and impracticable and illusory financial proposal. My hon. friend says: Why not nationalize your currency; why not make the banks take Dominion note circulation and call in their notes? Well, if you did that, and it is possible to do it, it would mean that the banks would owe the Gov-

ernment in respect of the note circulation the amount of their present note circulation, and would put out Dominion notes to that amount. The fundamental mistake made by the hon. member for South York, if I may say so, is this: He does not realize that note currency, bank note currency or Dominion note currency, is only useful for circulation purposes; and that you cannot increase that circulation beyond a certain amount without in reality, making a forced loan without interest, either from the bank or from the community.

Mr. NESBITT: Hear, hear.

Sir THOMAS WHITE: The banks have a certain note circulation which varies from time to time according to the commercial needs of the community. It is pocket money in the community, till money, so to speak. If a man gets a thousand dollars or two thousand dollars in bills, he does not carry them in his pocket, but deposits them in the bank and, by the clearings the next day, the several banks that have issued the bills get back their notes and have to pay any balance against them in gold, or the equivalent of gold, viz., Dominion notes. My hon. friend says: Why not go to New York and borrow $500,000,000 or $250,000,000 in gold and then, to the extent of 25 per cent, make that gold a deposit against an issue of $1,000,000,000, and then we will have plenty of money for the needs of Canada, plenty of money for the Imperial Government, plenty of money to purchase munitions and carry on the war. The idea is so apparently feasible, I might ask him: Why does not the Imperial Government gather up a thousand million dollars of gold and issue four thousand million dollars of paper money? Why does not any Government do that. It is very easy to turn on the printing press, even if you have a 25 per cent reserve of gold, but nevertheless, to the extent that the notes are not required for the circulation needs of the community, your paper has been watered; to that extent you have made a forced loan without interest; and the inevitable result will be the depreciation of your currency. Let me give an extreme case. Supposing to-morrow the Dominion Government put out an issue of a thousand million dollars of paper. Who would take it? What would happen? The public would get it. They would take it in payment of services or for commodities, and they would deposit it in the banks. It would not be required for the circulation of the community, and the result would be that the banks of Canada would soon have tens of millions of dollars lying idle, not bearing any interest, and what would be the inevitable result? Why, a bank or a financial institution would say: We will take a bond because it bears interest, but we do not want a note, that is not needed for the circulation purposes of the country, lying idle and unremunerative in our vaults. And what would be the result? Gold would go to a premium and your note would go to a discount, and the inevitable result of a large issue of paper money, an issue of paper money beyond the circulation requirements of a community, would be depreciation in your currency, destruction of your credit, and the loss of the gold that your country has. There is no doubt about that whatsoever. To-day the circulation needs of this country are met by the bank circulation and by the Dominion note circulation. Increase it by $10,000,000 and you get redundancy; increase it by $50,000,000 and yet get a great redundancy, and your notes are at a discount, and your gold at a premium. If there is anything we desire to avoid at this time; if there is anything calculated to damage the credit of the Dominion in New York or anywhere else, it would be to state that we were going to put out an issue of $1,000,000,000 of paper——

Mr. W. F. MACLEAN: I did not say that.

Sir THOMAS WHITE:——against $250,000,000 of gold. My hon. friend suggests the putting out of $1,000,000,000 worth of paper against $250,000,000 of gold on top of the present Dominion note circulation, for the purpose of financing our requirements and the requirements of the Imperial Government. I think the result would be depreciation. At the time of the American civil war, the North had to resort to paper currency, and so had the South. What happened? I may say that Germany is resorting to paper currency to-day. The paper currency of the North went down to between 35 and 40, and it was fifteen years at least after the end of the civil war before the currency of the United States was restored to a parity with gold. What happened to the paper currency of the South? It became absolutely valueless: ten thousand would not buy a plug of tobacco. I stand, and intend to stand for sound finance, and I think that in this country, at this time, we should stand for sound finance, because it means so much to the credit of this country. A propaganda

of that kind at this time is, in my judgment a dangerous propaganda, because it holds out hopes to the people that cannot be realized. Speaking for myself, I do not know anything that would injure the credit of this country, that would prevent us from getting loans at a fair interest, that would impair our standing in the world more than an enormous issue of paper currency.

I come to another matter, my hon. friend's statement about federal reserve There is a great danger in attempting to compare the financial systems of different countries, unless you take all the circumstances into consideration. The United States system, before the establishment of the federal reserve banks, was a system of individual banks, not banks with branches, but individual banks; and on account of the requirements of the banking laws of the United States, the banks could only issue notes against national securities. These national securities were selling on an artificial basis, and the result was that it was not in the interest of the banks to issue sufficient currency to meet the needs of the country. That was the situation in the United States; it is not the situation in Canada. There is plenty of circulation here to meet the circulation needs of this country, but there was not enough circulation in the United States to meet the circulation needs of that country before the federal reserve system was created. For months after the war broke out, I kept in my office a comparative statement of the condition of the banks in Canada, of the British banks, and of the American banks, and I say that the degree of liquidity of the banks of this country was on all fours with the degree of liquidity of the best British banks. In other words, we adopt here the sound banking principles of Great Britain. Last fall, because I had read a good deal of the arguments advanced in favour of the establishment of a federal reserve system, I got a banker of this country to write to New York to ascertain officially whether the federal reserve banks in their discounting of paper of the banks of the United States were using any more currency than was required for the circulation needs of the United States. The answer was precisely what I had expected, namely, that the federal reserve policy is to issue only the amount required for circulation. In other words, the federal reserve banks of the United States occupy the same relationship to those individual banks in the United States, in the several regions, as the head office of one of our great banks occupies to its branches.

Mr. TURRIFF: Was that information obtained from a federal reserve banker, or from the Government?

Sir THOMAS WHITE: I asked for the information through the manager of one of the leading banks of Canada. I asked him to ascertain the facts from New York. There could be no other answer. If, as a matter of fact, the federal reserve banks were isuing more paper than the circulation needs of the United States required, the inevitable tendency would be for their notes to go to a discount. The thing is absolutely commonplace; it has happened frequently in the history of the world, and it will happen in the future.

Mr. TURRIFF: I noticed, just before that law was brought into force, that at a meeting in New York of over 2,000 bankers of the United States, every one of the bankers condemned the innovation of federal banks. But I understand that these banks have worked out well since, so that the views of the regular bankers on that occasion would not seem to have been very sound; not that I am advocating the same system for Canada.

Sir THOMAS WHITE: I think that the establishment of the federal reserve system in the United States was necessary, but, as I have pointed out, the situation there was fundamentally different from the situation in this country, because the United States had a system of individual banks. The head office of every large bank in Canada is, so to speak, a federal reserve bank qua its branches throughout Canada, because the head office takes money from one section of the country, where it is not needed, and transfers it to another section, and loans it out there. The result is that under our system, which is the same as the British system, the head office of the bank is the conduit pipe, so to speak, through which the money flows. Where it is not needed, it is transferred to a place where it is required. In adopting the federal reserve system, the United States adopted the precise principle of the British and Canadian banking system. The idea was to make the currency more flexible, and to take the money from one section of the country where there might be an accumulation, and make it available in another place by way of loans to the banks in that other place where money was needed. That is the underlying principle of the federal reserve

system, but you cannot compare it fairly with the Canadian banking system. You cannot say: we will take a certain system from the United States and transplant it here. In England they have a bank of re-discount. It is very desirable, but it cannot be created overnight; it requires years to build up. The only way to build it up, apart from the ordinary mode of growth, would be to have the banks of Canada take shares in some central bank, just as the banks of the United States take shares in the federal reserve bank in the several districts. But, as I have pointed out, the head offices of the banks in Canada discharge the functions that the federal reserve banks discharge towards the individual banks in their several areas. I do not think that it is necessary, therefore, at this time to consider reorganizing the bank system of Canada. We have a war on our hands; there are extraordinarily trying days both at present and to be apprehended in the future, and it does seem to me that the banking system of Canada is, at the present time, working fairly well.

My hon. friend from South York (Mr. W. F. Maclean) has referred to this credit of $75,000,000. He thinks the credit should not have been established, because it might impose too great a burden upon the Canadian banks. I desire to reassure my hon. friend. The banks of Canada have a very considerable accumulation of money upon their hands, and it is a matter of great pride that they are able to come forward at this time and offer such a large sum as $75,000,000 as credit to the Imperial Government. It is not a small sum; it is a large sum. Having disposed, whether satisfactorily or not, with the question of the issue of paper money, I desire to say this: From time to time plans are put forward for creating credit, or for creating money. I do not know of any way of creating sound credit, or of providing money, except the old-fashioned way of saving it. What we have to learn in this country—this Government does not need to learn the lesson—is the virtue of saving and not putting our faith in panaceas and nostrums. We must put our faith in individual savings, in saving the money that men have obtained for their services, in saving the profits that men have made out of business. That is the only sound, safe, orthodox way of increasing the loan funds of this Dominion. As far as Governments are concerned, the only way to finance them in time of war, is to reduce as much as you possibly can once your military expenditure commences to grow, your ordinary expenditure, just as we are doing.

Mr. LEMIEUX: Oh, well!

Sir THOMAS WHITE: Having gone that far, how much farther could we go?

Mr. LEMIEUX: You might have reduced it by $25,000,000.

Sir THOMAS WHITE: We have gone so far as to reduce the expenditure and to make available all the resources of the country for the purpose of the war and for what is necessary in getting the money for the war. I am not going to use the term "credits." You often hear people say: We do not want any money, but give us a credit. What does that mean? It means money, it means just what you and I mean by the word term "money," and the only way of providing money for the war is by taxation or borrowing and paying interest rates, and not by forced loans from banks and the community.

Sir WILFRID LAURIER: You are on dangerous ground there; think about your Insurance Bill.

Sir THOMAS WHITE: Well, the Insurance Bill is very fair legislation. The point I make is that you must keep up your revenues by taxation or you must keep it up by borrowing and paying the price. If you depart from that principle your policy will lead to evils which may be greater than war. I have spoken at greater length than I intended to on this matter, but in view of the argument of the hon. member for South York, the propaganda which he has put forward in his paper, and the expectations which might be raised by the suggested adoption of a policy which I believe to be unsound, although generally I agree with my hon. friend, I felt it my duty to deal with this question. I have stated the financial faith that is in me. Whether I have carried the judgment of the House or not remains to be seen.

Mr. MACDONALD: I want to say a few words with regard to my hon. friend's reference to me in the course of his speech. My hon. friend ventured to question some remarks which I made in the course of the Budget debate but he has not explained the statement which I made that he was responsible for the debt of the country being increased to the extent of $51,000,000 over and above the cost of the Transcontinental railway and over and above those

other things of which he complains. My hon. friend has always been putting forward as an excuse for these alleged burdens that he had to provide for the National Transcontinental railway. We cleared all that question up in discussing the matter the other day, but it might be as well to remind my hon. friend, and I do not think he has forgotten it, that he was a believer in the National Transcontinental railway proposition in 1904. He did not then find any reason for withdrawing from the leadership of my right hon. friend in front of me (Sir Wilfrid Laurier) in 1904 or 1908. My hon. friend stood behind my leader and the Liberal policy of constructing the National Transcontinental railway right through until he took his position upon reciprocity. When my hon. friend comes and holds up his hands in holy horror about the Transcontinental railway, he should remember that it was a proposition to which he gave his full support previous to 1911. But I do not intend to follow my hon. friend in his desultory discussion of such facts as I have absolutely proven. But, there is another point that he has not explained to the committee and that is why he should persist in keeping in the Estimates sums aggregating $25,000,000 which he says he does not intend to spend.

Sir THOMAS WHITE: They are not in.

Mr. MACDONALD: My hon. friend says: They are there and we are not going to spend them, but I am not going to take them out. Hon. members who are helped by their being in the Estimates have ventured to suggest that the war will come to an end perhaps, that the situation will be cleared and that between now and the 31st March, 1917, it may be possible to spend that money. The Minister of Finance knows that the commitments of this country at this moment absolutely prohibit the possibility of his undertaking any new works or of availing himself of any of these items which are included in the $25,000,000 if he is going to be a prudent Minister of Finance. My hon. friend reads for our edification a statement made by Mr. Fielding in 1907 in which Mr. Fielding went on to point out that the computation was made at the end of the year of the commitments and that it was improper to treat that the whole amount of money contained in the Estimates as being an absolute commitment because they might include a general vote for a project upon which preliminary expenditures, of necessity, had to be made, that these preliminary expenditures took time and that, as a consequence, once a vote was initiated for any particular purpose in a given year of, say, $20,000, or $50,000, that did not mean that that $20,000 or $50,000 would be expended in that year because preliminary work had to be undertaken.

Mr. BURNHAM: If that disproves anything at all in what way does it affect this?

Mr. MACDONALD: Nobody wants to disprove anything.

Mr. BURNHAM: You disprove your own argument.

Mr. MACDONALD: I am presenting an argument founded on the quotation and I am dealing with the Minister of Finance on broad lines. The Minister of Finance puts that forward as a justification for having this amount in his Estimates this year. My hon. friend knows very well that what Mr. Fielding said in 1906 or 1907 with reference to the conditions prevailing at that time could have no possible reference to the conditions that exist in this year, 1916, when you are up against the most trying situation in all our history. Yet my hon. friend for some purpose—and there can be no purpose unless it is political—in the face of this financial situation, as my hon. friend from Rouville (Mr. Lemieux) points out, persists in keeping before the eyes of the money-lenders, and of the parties to whom he has to go to obtain money, the idea that it is necessary for an expenditure of $25,000,000—

Mr. OLIVER: $28,000,000.

Mr MACDONALD:—$28,000,000 more than he says he intends to spend. Why does he keep it in the Estimates when he tells the money-lenders that he is not going to spend it. Can anybody find out why? If he is honest in regard to that statement —and I do not mean to impute any personal dishonesty to my hon. friend—what can it mean? If that amount is there for no particular purpose then my hon. friend should say so. If my hon. friend does not intend to spend it why does he keep it there? He keeps it there in order that political pressure may be exerted under this or the other condition and in order that it may be possible to send a corps of engineers into a particular county to run up and down, plant stakes and do certain things that the electors who perhaps desire to have a public work may have held

before them the alluring prospect that it is to be gone on with. My hon. friend knows it. It is there for no other purpose in the world. My hon. friend knows very well that his attempt to justify himself by a statement of Mr. Fielding is simply begging the question.

Sir THOMAS WHITE: Perhaps my hon. friend did not quite understand what I said. I stated that the hon. member for St. John had reached the conclusion that I had said there were $28,000,000 in the Estimates which it was not proposed to expend. By subtracting $160,000,000, the amount of the estimated expenditure, from $188,000,000, the amount of the Estimates, we get a balance of $28,000,000. Now, the error made by the hon. member for St. John was in assuming that the $160,000,000 of estimated expenditure coincides with $160,000,000 of the Estimates. Now, the point I made, and in reference to which I quoted Mr. Fielding, was that the $160,000,000 of estimated expenditure represents much more than $160,000,000 of Estimates of works actually under construction. There are some items in the Estimates—how many I do not know—which are not under construction, and which will not be gone on with for the present. But it is no such amount as $28,000,000. I think my hon. friend understands what I am driving at.

Mr. MACDONALD: What the minister says is that the amount may not be $28,000,000, but that there are included in the Estimates certain works which will not be gone on with.

Sir THOMAS WHITE: Until conditions permit.

Mr. MACDONALD: My hon. friend knows perfectly well that conditions cannot possibly permit of any new works being gone on with this year; I am speaking of the financial year, which begins on April 1. Will my hon. friend say that he can conceive of financial conditions under which he will be able to engage in new works this year?

Sir THOMAS WHITE: While I am prepared to make a general statement that we should not go on with works under contract until conditions permit, I would say to my hon. friend: that from time to time in the administration of this country it has become perfectly clear that it is in the national interest that a particular work, even at a time like this, should be gone on with. For instance, some work in connection with ports or harbours may be absolutely needed. There were one or two cases like that last fall. I recall the case of Bathurst, N.B., where some work had to be done in order that business might proceed. It would never do for me to say expressly and explicitly that this, that or the other item, amounting to so much, will not be gone on with under any circumstances. I am quite prepared to make a general statement, and I have already done so, but I cannot state explicitly that no single item will be gone on with, and my hon. friend knows it is unreasonable to ask me to do it.

Mr. MACDONALD: I do not think my hon. friend would stand much cross-examination if we had him before a tribunal where we could cross-examine him.

Sir THOMAS WHITE: I have no desire to.

Mr. MACDONALD: He really wants to keep these items in the Estimates. Cases such as he has referred to could be covered by Governor General's warrants, and my hon. friend knows it. Can my hon. friend imagine any supervening public necessity that would justify the erection of a post office at some of the places provided for in the Estimates?

Sir THOMAS WHITE: It is improbable but it is quite possible. Conditions in connection with rural mail delivery, for instance, might make it necessary. But I do not think it probable.

Mr. MACDONALD: If a provincial election were impending, would my hon. friend regard pressure from political friends as a supervening necessity? My hon. friend went out of his way to gratify his political friends in British Columbia, by imposing a duty on apples. Can my hon. friend conceive of his lending a soft ear to representations made by Mr. Bowser for certain public works in British Columbia, supposing he had to face the electorate in June? Does my hon. friend mean to say that he would turn a deaf ear to Mr. Bowser if he came along with any such proposals?

Sir THOMAS WHITE: In all my experience as Finance Minister I have never, in the four years I have occupied that position, had any such request proposed to me. My hon. friend's experience during the preceding Administration has evidently been different. He is altogether too suspicious. I do not believe that any expenditure by this

Government in any constituency in British Columbia——

Sir WILFRID LAURIER: Could save the Bowser Government.

Sir THOMAS WHITE:——or in any other province, would have any effect upon a provincial election.

Mr. E. M. MACDONALD: Other hon. gentlemen might disagree with my hon. friend. If my hon. friend has not had communications from the Government of British Columbia, perhaps his genial friend the Minister of Public Works has whispered in his ear. Perhaps he is the medium through which the Finance Minister is approached on these questions. As I was saying, my hon. friend would not stand a very close cross-examination on the subject of the Estimates. We are bound, however, to take him at his word. He says that he has pledged his word to the people from whom he is going to borrow money that there is in these Estimates a large sum which will not be spent unless a superlative public necessity demands it. My hon. friend forgets what he said to the hon. member for South York a moment ago. Then he preached the doctrine of economy; savings, he said. Is my hon. friend going to moralize in regard to banking and finance and economy, and at the same time not put his theory into practice? My hon. friend will not declare that conditions in this country are such as to require the expenditure of this money in the Estimates which ought not to be there at all. If this money is not to be expended, it should not be in the Estimates. My hon. friend has not given any warrant why it should be there, and I say it is only for the purpose of leading people in different sections of the country to believe that certain works are to be gone on with in their part of the country. Where is the minister economizing? Take the Post Office Estimates, for instance, to which reference has already been made. In 1911 the expenditure was $7,954,000, and in 1915 $15,900,000. This year my hon. friend proposes an expenditure along that line practically the same as last year, if not greater. Is he economizing there? How is he economizing?

Sir THOMAS WHITE: I do not want to interrupt my hon. friend unduly, but does he think that, on a bare statement that there was a post office expenditure of $7,000,000 in a certain year, and that four years after there was a greater expenditure, he has proved anything? My hon. friend compares the post office expenditures of 1903, 1904, and 1905 with that of 1916, and asks: Are they larger or are they smaller? What about the rural mail delivery? What about the multiplied activities of the Customs Department due to our large increase in trade, 50 per cent over what it was in 1911? What about our parcel post system, which was established by the late Postmaster General? My hon. friend is too intelligent not to know that he has no basis of comparison when he puts an expenditure of $7,000,000, in 1907, against a larger amount in 1915, and says that that means extravagance. It does not mean anything of the kind.

Mr. MACDONALD: When I add to my argument the fact that my hon. friend expends all this money and in addition has a deficit of $3,000,000 in the Post Office Department, I think that does mean extravagance. My hon. friend should cut his coat according to his cloth, and he should not spend in the Post Office Department more money than he receives from it. When, in addition to that, we remember that in regard to the Post Office Department it has been shown that there has been no economy at all, but a tremendous increase in the number of employees in the service throughout the country, my hon. friend should cease homilizing to the House about economy. As his leader said in regard to an expenditure, many millions less than what he is purposing to make this year, it is prima facie evidence of corruption. If that argument in reference to the expenditure referred to was true, it is ten times as true with regard to the expenditure which my hon. friend purposes making, and I apply the words of the Prime Minister, who is the leader of my hon. friend, and say that this expenditure which he is proposing to the people of this country to-day is prima facia evidence of corruption.

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

The House resumed at eight o'clock.

PETITION FOR DISALLOWANCE OF ONTARIO STATUTE.

Hon. C. J. DOHERTY (Minister of Justice): By your leave, Mr. Speaker, and with the consent of the House, I should like to say a word in answer to a question that was put this afternoon when the Prime Minister and myself were not present. The question was asked, I believe, by the hon.

member for Kamouraska (Mr. Lapointe) as to whether a petition had been received asking for the disallowance of recent legislation in the province of Ontario providing for the appointment of a school commission. The Minister of Public Works, who was leading the House at the time, answered that he had not personal knowledge of the petition. I desire to say that the hon. Minister of Public Works was not present when the petition came before Council. Such a petition was received; it came before Council, and it has been referred to the Lieutenant Governor of Ontario for any observations that he may desire to make upon it. That is the course which is followed whenever a petition is made for disallowance of an Act of the legislature of a province.

DOMINION LOAN—$75,000,000.

Consideration resumed in committee of the proposed resolution of Sir Thomas White to authorize the Governor in Council to raise by way of loan an additional amount not to exceed the sum of $75,000,000; Mr. Rhodes in the Chair.

The CHAIRMAN: Before the committee proceeds I feel it my duty to remind hon. gentlemen of the rule which governs the discussion of subjects such as we have before us. It is found in subsection 5 of section 13, and reads:

Speeches in Committee of the Whole must be strictly relevant to the item or clause under consideration.

The discussion this afternoon took a very wide range; so wide, in fact, that the greater portion of it was not, in my judgment, relative to the item under discussion. Various reasons contributed to the wide range of the discussion; I do not know that any useful purpose can be served by referring to them in detail. I trust, however, now that I have brought the rule to the attention of the committee, that greater care will be exercised during the remainder of the sitting to see that the discussion, if not brought within the strict letter of the rule, may be at least brought within the spirit of it.

Mr. W. F. MACLEAN: So far as my remarks this afternoon were concerned, I think they were germane to the question before the committee. I desire now for a few moments to reply to some of the observations that were made upon some of my remarks during the course of the discussion. I am as anxious as you are, Mr. Chairman,

to observe the rules and to further the adoption of the resolution now before the committee, but I think that I am entitled to reply to some of the arguments that came up this afternoon, and to the criticism of the Minister of Finance of some of the views that I expressed. I have the greatest respect for the minister. I have watched his career in this House; it has been a rapid rise; in the eyes of the people of Canada it has been the satisfactory development of a public man. But if there is one thing a Minister of Finance ought to avoid it is the temptation to think that he knows it all; the temptation, I will not say to be egotistical, but to assume the attitude that he is in possession of the gospel of the finances of the country. Above all, he ought not to patronize or to belittle the argument of an opponent.

Sir WILFRID LAURIER: Of a supporter, you mean.

Mr. W. F. MACLEAN: I put forward an argument here this afternoon that was not new, that was not unsound, for a system that has been practised in all the countries of the world; and I simply pleaded for the nationalization of the currency and the banking of the country in order that a proposition of the kind that he presented should be put in a better and broader shape to meet the necessities and conditions of the country. I advocated a national currency and a national system of banking. That is no new doctrine, as I have pointed out. It has been practised in every successful country in the world, and it is being practised to-day. I gave examples. For instance, what did they do in England when they were confronted with the very thing with which we are now confronted? Lloyd George, who was Chancellor of the Exchequer, at once practically nationalized the banking system of the country and made it a paper currency to a very large amount; I do not know how many millions of notes of the nation in denominations of less than £5 were issued. These notes are being used for war purposes, and they are paper money to all intents and purposes. Such a note is only the promise of three officers of the Government to pay the face of the note that has been issued. But this is said to be a doubtful system of financing, and we are told about "soft" paper money in the United States.

The minister talks about setting the printing press to work. If the United

States issued large amounts of paper currency in their time, and those notes went at a discount, it was because the United States, at the time of the Civil War, were not organized on a national basis in respect to banking and currency. They know better now, and the United States to-day has the best banking and currency system in the world. They are both based on the national credit, a national system of banking, a national system of re-discounts in connection with banking, and a national currency. When they experienced difficulty in the United States a while ago in moving the crop, the present secretary of the Treasury was enabled, by reason of the national credit and currency, to move all the crops of the United States and to compel the banks to reduce their rate of interest; and to-day there is plenty of money there. The United States has enacted this national currency and it has to-day the best banking system of any country in the world, because it has adopted a system of utilizing the national credit for the benefit of the nation.

Every nation in Europe to-day is financing in that way. Germany, we are told, is a country of paper money. They have trouble in Germany, not because the system of financing is wrong, but because German militarism and the system of governing the country by an aristocracy are wrong. The German system of financing is one of the best in the world, because it is based on the national credit. It is based on a great national bank, a national currency, and to some extent on a system of re-discount. England has a system of re-discount and it is freely used. Who was it that carried through the business community of Englnad when the war came? It was not the banks. Lloyd George called the banks in and said to them: The national credit is behind you, if you cannot take care of the bills now coming due. The banks were full of these bills, but he told them he was behind them; and while it was given out that the banks of England were enabled to take care of all the bills coming due, this was done on the credit of the Government and on the order of the Government, and partly by reason of the fact that the Government had recourse to the use of a national currency in the shape of those small notes that were issued, and an unlimited amount of which they have authority to issue. There has been no abuse of that power in England or in the United States; there would be no abuse of it in Canada. What I was contending for this afternoon in connection with this question of raising a great loan in this country was that, if we had organized or if we were now to organize a modern system of banking we would be in a much better position than we are to-day.

Sir WILFRID LAURIER: What is a modern system of banking?

Mr. W. F. MACLEAN: A modern system of banking is to nationalize the banking and not to make it a private monopoly. I understood the Minister of Finance this afternoon to say that a monopoly of the currency issue of this country should be in the banks. I say that the monopoly of the currency of this country ought to be in the nation, and it ought to be issued by the nation, and the whole credit of the nation should be used for the necessities of the country, both for the war and for other public needs. So I am not preaching an heretical doctrine, nor am I a false prophet.

The hon. gentleman suggested that perhaps I was like Cassandra, that I spoke something to the Trojans that they did not believe, but that yet proved to be true. The difference between the Trojans and the people at this time is that the Trojans did not know that what Cassandra had prophesied was true, while we do know, and the Minister of Finance knows, that the modern system of banking that obtains in Europe has been tried, is sound, and is in the public interest. And yet if anybody in this country suggests a more modern system of banking for Canada than we have had in the past, he is branded as a false prophet. I take issue with this argument, and I say that we can ourselves as a nation and by reforming our system of banking raise the money we want for the requirements of this war. The Minister of Finance says we should not bring on such a question now, in time of war. But that was the very time that Lloyd George and the British Government put it into practice.

Therefore I say that the Minister of Finance should have exercised a little more care in criticising the method I suggested, because he is practising in some degree every suggestion I made. He is using the national currency of Canada to help him out of the difficulties he has experienced; he is practising a system of re-discounts, and re-discounting for the banks. He issued a proclaimation to the banks of

this country and to others; he has even re-discounted propositions that did not come to him through the banks, although I take it that the law in the beginning was limited in that way. So he relies on a national currency in an emergency and he is relying on a system of national re-discount in order to aid the banks. Do you not see the great and practical result of this system of re-discounting? We think it is a discredit to a bank to re-discount; with us a bank that re-discounts is supposed to be in difficulty. The Bank of England re-discounts whenever it wants money, and so do all big banks, because every bank knows that if it can re-discount it has not to conserve and keep itself strong in reserves and liquid securities. As a consequence our banks cannot do as much for their customers at critical periods, because they say: "We must keep enough to take care of the securities we have out, and of our depositors, should they call for their money." But when a bank knows that in a financial stringency, and in a situation like what we have to-day, they can re-discount the paper they are carrying in a national bank, they have much more money for the use of their customers, for carrying on the trade of the country, and for giving the people money sufficient to carry on their business. That is my argument, and it is not a new argument. It is not a new doctrine; it is not a heretical doctrine. If there is heresy in it, then the Minister of Finance is practising it every day. He has never come forward and said he proposed to stop re-discounting in this country, or that he proposed not to avail himself of the national currency. He uses both. He also committed himself the other day to a promise that he would take up and bring forward in this House a system of credit for the benefit of the farmers. They have that in every other country except the United States, and they are going to take it up there. They have it in France, in Ireland, in Germany, in Italy, and in Russia.

To nationalize the banking system of Canada, and the currency of Canada, as I proposed here this afternoon, is, I maintain, directly along the line of the proposition before this House. I am not to be placed before the country as proposing paper money, as wanting to keep a printing press going. More and more, the world is being financed on credit, and the representation of credit is a document of some kind which comes from the printing press. But the credit is there behind it. Gold is becoming less and less a factor in the credit of a nation, of the individual and of a bank. Banks do not deal in gold; they deal in credit, and the more credit they have and can give to their customers, the better it will be for the business of the country.

Just one other thing, when I am talking of nationalization. Mr. Lloyd George not only nationalized the currency and put the State behind the banks, but he nationalized the railway system of Great Britain. The big thing for a nation in the day of trial is to nationalize things, to mobilize its securities for the benefit of the nation, and to mobilize its resources. If that is heresy it is only heresy in Canada I hope it is not heresy in this House. I hope that it is not a matter for ridicule that a member of this House should propose such modern, and, I think, such sound ideas of finance.

I am going to close with two very short statements. If we cannot have nationalization of our currency and of our banking, and the mobilization of our resources for the benefit of the country, we will be a second rate nation on this continent, for they have more of that in the United States than we have. So far as I am concerned, the day cannot come too soon which puts Canada on an equality with the United States and gives us as good a banking system as they have there. They have improved their system; it is much better than ours, and the proof of it is that there is abundance of money in the United States, the rate of interest is lower, and they are becoming the bankers, not of the world, perhaps, but of this continent. I take issue with any one who says that the banking and currency of the country should not be put on a national basis. If we cannot have it in this House it may be that the time has come to have a national party in this country that will bring about these things. We have a rather serious condition of affairs in this country, which may require to deal with it a national government and a national party, irrespective of old methods and practice. But whether that be so or not, I know that the people of this country, I know that the farmers of this country, whether in the East or in the West, believe in using the credit of the nation, the power of the nation, its resources, and its strength for the solution of the problems that present themselves to-day. The banks of Canada cannot save the Canadian situation; the nation must save itself, and it must do so on the lines I have suggested. The banks were not able to save the situation in England, and they have not been able to do it in the United

States, or anywhere else. But the countries using the national credit and the national currency, well secured by gold, have done so. It is all very well for the minister to represent me as saying here this afternoon that I propose to put the printing press to work and to send out a billion dollars' worth of securities. I did not use an illustration along that line, because I think we ought to have a gold reserve in this country to the amount of $250,000,000. When I spoke of issuing a billion dollars, I had regard for the present Dominion notes and the bank currency which, together, amount to more than $250,000,000, probably nearly $300,000,000. I do not want to misrepresent the minister, but I gather that he thought I was suggesting an inflated paper currency to be issued to such an extent that it would clog up the banks. I made no such proposal, but I ask him if he thinks that is likely to happen. Has it happened in England since they have adopted the system of re-discounting the state issue of notes? Has it happened in the United States? Are the banks clogged up there? I do not think so. They have a better system than we have. We have not got a national currency, nor a national system of banking, nor re-discounting, though perhaps we have made approaches to it. We have improved the situation, and I am urging the minister to go on in the practice he has already introduced, and not to belittle the practice which he has observed. When he talks about a proposal to issue notes of an unlimited amount, which would clog up the banks and reduce the credit of the country, I cannot see the appropriateness of his argument. Now that he has begun the system to which I have referred, I hope he will continue, and that he will come forward yet, not with a proposal to borrow $75,000,000, as in this case, with the Prime Minister coming along with a war proposal of $200,000,000, but to come forward, as the British Government did under the leadership of Lloyd George, with a large system, using the national credit, the national currency, and national banking. Then we would be able to clean the situation up in a much better way than is possible under the proposal now before the House or under the other proposals that are to follow.

Sir THOMAS WHITE: I certainly do not desire to speak in any way as one having authority, but I am, at this time particularly, very jealous as to the credit of this Dominion; and I say that I do not know anything more likely to injure, or to derogate from, that credit than a suggestion to increase our issues of paper money.

Mr. W. F. MACLEAN: Properly secured by gold. I disagree with the minister there.

Sir THOMAS WHITE: My hon. friend refers to the situation in Great Britain, and to the situation in the United States. I therefore think that my hon. friend has not been at the pains to understand the situation that exists in Great Britain and in the United States. Before this war broke out, my hon. friend knows, the currency of Great Britain, that is to say the circulation medium of Great Britain, consisted of Bank of England notes, which were issued only against gold, and gold and silver in the hands of the nation. The essential difference between the situation in the United Kingdom and in Canada was this, that in England so much circulation was coin, while in Canada, on the other hand, circulation was principally paper money—paper money issued by banks secured by their entire assets, and Dominion note circulation secured by gold. If my hon. friend would take the trouble to look up the facts he would learn that Great Britain has not inflated the currency beyond the circulation needs. Great Britain was desirous that gold should not be hoarded and should not be exported, and, to meet the situation which arose at the outbreak of war, the proper expedient was adopted, availed of only to a slight extent—

Mr. W. F. MACLEAN: To the extent of hundreds of millions of pounds.

Sir THOMAS WHITE: Millions is only a relative term, but the point I am making is that the note issue of Great Britain has not been increased beyond the circulation needs of the community. If it had to be so increased, only one result would follow —it does not make any difference whether it is Great Britain or any other country. If circulation becomes redundant then currency goes to a discount, gold goes to a premium and the exchanges of the world begin at once to run against that country. In time of war, if the stress is severe enough, nations are driven to expedients, and it has occurred many times in the history of the past that in order to meet the financial situation created by war—Germany is doing this to-day,—note issues are inflated. But there is only one possible result from note inflation, and that is rise in prices, depreciation of the currency, gold at a premium, and the exchanges of the

world beginning to run against the country which has inflated its currency. This was done in Germany. Germany has over-inflated its currency, and the result is the depreciation of the German mark on the exchanges of the world. Therefore, Great Britain's note issue did not mean that at any time Great Britain had issued notes beyond the circulation needs of the country. What has happened is that notes have gone out and gold has come in. Gold has been conserved. Notes have largely taken the place of gold as a circulation medium.

Mr. W. F. MACLEAN: That is what I propose we should do.

Sir THOMAS WHITE: As in this country, the fact remains that the circulation needs of Great Britain are well beyond the note issue of Great Britain. My hon. friend also speaks about the United States. He states that the banks of the United States, they having nationalized the currency, as he says, are able to extend credit for the movement of crops. The way that the Government of the United States assists in moving the crops is by adopting perfectly legitimate financial means. What are those means? They make deposits, just as the Dominion Government might to-morrow make a deposit in a bank, with the banks of the United States engaged in business connected with the movement of cotton and grain. That is perfectly legitimate finance. The treasury of the United States has a fund on hand.

Mr. W. F. MACLEAN: It issues national notes.

Sir THOMAS WHITE: But these national notes have gold against them. The treasury makes deposits by cheque with banks in the usual way, and these banks, just like any other bank, having large cheques on deposit from the Government, have further facilities, perfectly legitimate, for carrying on this added business during the crop-moving period. But that is a very different thing from the Government of the United States handing out to banks unsecured paper money, or secured only to the extent of 25 per cent. I do not mean to say that there is not some leeway as to the amount of circulation that shall be secured, but that is a question of degree. In this country, for many years, the leeway has been $22,500,000 in connection with Dominion notes; that is to say, that everything beyond that was secured in gold. But circulation to the extent of $22,500,000 was what was called free circulation. Why? Because, as a matter of fact, the Government could always count upon $22,500,000 being out in circulation among the people in one and two dollar bills. But the fact remains that if we in this country were to adopt any such expedient as I certainly gathered my hon. friend had in mind, namely, to issue a large amount of paper money for the purpose of providing credit here for the purchase of munitions, even if secured by 25 per cent of gold, one result must follow, and that is that the currency would become depreciated, gold would go to a premium and the exchanges of the world would begin to run against this country. I am perfectly certain that if $50,000,000 of additional paper money were put into circulation in this country there would be a marked redundancy in our currency. I have no desire to discuss this matter on anything but a fair basis. I submit these considerations to my hon. friend from South York because I am satisfied that he is wrong and that he has not investigated these matters in the other countries to which he refers sufficiently to enable him to understand them. There is a great deal of difference between a Government making deposits in a bank, of funds collected in the usual course of the Government's business, and a Government handing out paper money to a bank if the bank must take that paper money beyond the circulation needs of the country. We did in this country what they did in Great Britain, only we did it very much more quietly. After a war has broken out in Europe, the first action on the part of a Government, in order to conserve its gold, is to suspend the Bank Act. That only means that instead of paying out in gold they are ready to pay out a circulating medium. In this case the situation was met in England by the issue to a reasonable amount, having regard to the circulation needs of the country, of the notes of the treasury. The very fact that this announcement is made at once stops panic and gold is not taken out of the bank to any considerable extent. Action of this kind is only intended to avoid the consequences of panic. I have no possible objection to my hon. friend putting forward his views as to what he believes to be a needed reform in our banking system; nor do I say it is impossible to nationalize the banks of Canada if it is not thought desirable to do so. But my hon. friend has stated that instead of al-

lowing the banks to issue notes, he would have the Dominion Government issue notes through the banks allowing them, I gathered from what he said, one per cent upon the amount so issued. We have to deal with the existing situation. The existing situation is that the banks had notes out in circulation to the amount, last year, of $100,000,000. If it were desired to nationalize the banking system, issue Dominion notes to that amount and require the banks to get in their bank notes, the situation would be that the banks would owe the Dominion Government $100,000,000, representing the amount of the notes which the Dominion Government had deposited with them and they would have to issue those to bring in their note circulation. It is true that the Dominion Government would be owed this large sum of money, but the question arises as to what the effect of that would be.

Now, this is a large question, and as the chairman has observed, it is irrelevant; but it is an important question, and I do not like to leave the discussion in this House and before the country without expressing my views upon it. I stated this afternoon that as Finance Minister I consider it my duty to express the faith that is in me. My hon. friend has talked about world credits. The difficulty is we are apt to become confused in our terms. We hear about mobilizing resources, re-organization of our finances, of commerce and industry, and about establishing rural credits, and it is necessary to ascertain precisely what we mean by these terms. A rural credit does not mean anything more than this: that by legitimate financial methods a certain sum of money is placed at the disposal of the farming community to be availed of by way of loans. The fact that you call it a credit does not in the least alter the fact that what you are dealing with is money in the ordinary acceptation of the term. It would be possible for this Government, as for the United States Government, to establish a rural credit system, but that rural credit system, if sound, would have to be based upon existing sound methods of finance. That is, if rural credit societies or land banks were established, the United States Government could make deposits with those banks, or finance them by other perfectly legitimate methods, for the purpose of extending credits throughout the United States. I do not mean to say they have that in view, but that would be a feasible course, and would not be unsound financing, because the money would be advanced in the ordinary way. My hon. friend seems to have the view that the money would be advanced, not in the ordinary way, but by handing over United States notes to these societies and banks.

Mr. W. F. MACLEAN: I did not say anything of the kind.

Sir THOMAS WHITE: If my hon. friend did not say that, then his argument, as I understand it, is only this: the Government of the United States, or the Government of any other country could establish these credits by the ordinary sound financial methods of to-day. That is a very different thing from issuing paper currency. If I misunderstood my hon. friend, and he says that I did, I am quite ready to make amends, but I certainly did not desire to misrepresent him on this important question. But I say that to finance the Dominion Government in this stress of war, and to finance Imperial purchases here to the extent that my hon. friend has in mind—because he spoke rather slightingly this afternoon of a credit of $75,000,000—by an issue of Dominion notes secured by 25 per cent of gold, could only have the consequences which I mentioned this afternoon: there would be a redundancy in the currency, there would have to be a forced loan without interest, the notes we depreciate, exchanges would run against this country, prices would rise, and it would lead to many evils that are well known to students of economic history.

Mr. W. F. MACLEAN: It did not happen in the United States.

Mr. MICHAEL CLARK: I will only keep the committee a few minutes, and I hope I shall keep well in mind the suggestion which you, Mr. Chairman, with great pertinence have given to this committe. If I may be permitted I should like to say that in doing so you have given one more proof, if it were needed, that at the present time, both as to the speakership and the chairmanship of committees, we are particularly well-officered. I think the committee is indebted to my hon. friend from South York (Mr. W. F. Maclean) for having drawn from the minister a very lucid explanation of what I have always understood to be sound views on currency. I hope my hon. friend from South York will not be offended if I say the minister has at the same time demonstrated that when a minister has a difference with a

follower the minister does not necessarily need to know it all, to know more than his follower.

I should like to be permitted very sincerely to congratulate the minister upon having got this loan, as well as the previous loan, from the United States. I think in doing so he has added another item to the very large obligation which he has placed the country and the Empire under to him since the war began, an obligation which will be recognized not only by the present, but by future generations, for the assiduity and, on the whole, the very great financial ability which he has brought to the discharge of duties which have been very onerous.

The committee will perceive that I am inclined to receive a returning prodigal in a spirit very different than that of my hon. friend from Rouville (Mr. Lemieux). The hon. member from Rouville seemed to be a little resentful towards the minister because he had gone to the United States for a loan. Personally, I feel within me the movings of the parent in Scripture; I would feel inclined to fall on the minister's neck, and if I were a wealthy man I would kill the fatted calf for him, and put a ring on his finger and shoes on his feet, and dress him in the best robes. I am not angry with the minister for doing in his peculiar way what he very much objected to our doing five years ago. The minister knows financial matters so well that he must know he is doing in his way what we intended to do five years ago in a rather different way; and I am bound to say that I think our way was the better one, and I will explain to the minister why.

It is true that there may be a good deal of soundness in the minister's view that the tariff is a domestic matter. He expressed himself in that way the other day, though I am bound to say that I am not sure he is quite clear himself as to what he believes about the domesticity of a tariff. He says at one time that a tariff is a domestic matter, and at another that it should not be interlocked, and in the very speech in which he used both these expressions he showed a disposition to do something very like interlocking with the tariff, because while he objected strenuously to interlocking with the United States through the tariff, he spoke of cuddling up with a whole number of countries. I think that is the verb my hon. friend used. He has a strange choice in verbs, but, as far as I understand the meaning of them, I do not think there is much difference between interlocking and cuddling up. Of course, Mr. Chairman, I am speaking purely about this loan, or some allied subject. So I say quite sincerely I am not quite sure where the minister is on this subject of the interlocking of tariffs.

Just one point further. The minister said that in those loans we were buying money. I think he was a little loose in his expression. He did not mean us to interpret that literally, or we should be exchanging Canadian dollars for United States dollars, and that would not get us very far in the way of beneficial exchange, or in the way of a loan. What he really meant was that we were getting credit. When a man goes to a store and gets goods without money, but gives his I.O.U., he is getting credit. I think the minister agrees with me that he used that expression in a loose way. I know he agrees with me, because so far as I have been able to follow economics and his mind, I know that he has a good deal of sound economic knowledge, but the trouble is he has been a little hurt by his associations of recent years. The minister is getting credit. Now, according to an exposition which he gave last year, equally as sound as that which he has given us on currency to-night, in making this loan in the United States, we are arranging to buy more goods from them. That is what will happen. The minister told us so last year, and he gave another of those expositions which are very much needed, at least by a number of his followers. We are going to increase the quantity of goods that come from the United States to Canada by means of this borrowing, of which I thoroughly approve under the circumstances in which the country and the Empire find themselves at the present time. Now, it comes to this as between the two parties, that we on this side wanted to increase our business with the United States by a treaty, and that treaty would have increased the business both ways; but the minister is increasing our business with the United States by a debt, and he is increasing the business only in one way because he is leaving the debt to go out later with the interest added on. In my opinion, our method is better than his, although I say, in all candour and fairness, that what the minister is doing is necessitated by the condition of war in which we find ourselves.

I did not rise merely for the purpose of making this comparison, nor largely for that purpose; I want to point out to the

minister, what no doubt has occurred to himself, that by increasing the quantity of goods that are coming from the United States to Canada, we are increasing what is already a very large so-called adverse balance of trade as between the United States and this country. I am speaking from memory, but I think I am correct in stating that that adverse balance of trade in the last fiscal year amounted to $123,000,000. The minister is increasing that adverse balance by borrowing in the United States, and that is a serious matter. I do not think I attach as much importance, as do some hon. gentlemen on the other side of the House, to this doctrine of an adverse balance of trade. I am bound to make that concession against my own argument, but the point is a strong one for hon. gentlemen opposite, and one which they ought to recognize. If an adverse balance of trade is a bad thing—and it must be bad when the United States has the balance against us—then that bad thing is being made worse by the present procedure of the minister. Now, I do not blame the minister at all; I simply want to make a suggestion to him. Does he not think that he was a little hasty in leading his party, under those circumstances, to vote once more against free wheat? I put this question seriously, not for party purposes at all, because I am in the same position as the minister in regard to these old quarrels and controversies. I do not care about the thing known as reciprocity; what I want is the thing known as trade. I do not care about treaties—my hon. friend the Minister of Trade and Commerce (Sir George Foster) is always desirous of making treaties, and he made one not long ago with the West Indies. Well, we have done less trade with the West Indies ever since he made that treaty. What my hon. friend the Minister of Trade and Commerce should do is to make trade, not treaties. What is the good of a treaty to any one? It is the trade that is to the advantage of the country. I do not care whether the word "reciprocity" is mentioned again while I am in this House; what I want is the trade, and I would like the trade to go both ways.

9 p.m.

Would it not be a good thing for the minister and the Government to be a little less hasty with this growing adverse balance, which must be breaking the hearts of hon. gentlemen opposite? Would it not be a good thing, under the circumstances, to give the country free wheat, and in that way enable the farmers to sell their wheat to the United States at the same time that the minister is arranging by this loan for the importation of more goods from the United States? I leave that thought with the Minister of Finance and with the Postmaster General (Mr. Casgrain), whose face has assumed a very unaccustomed look of gravity while I have been putting this point to him. Now, Sir, I hope this is all pertinent to the question of the loan.

The CHAIRMAN: I hope so.

Mr. CLARK: While the balance of trade is being aggravated against us from the United States, I have another remark and another suggestion to make. It is a curious fact, if my memory serves me aright, that in the last fiscal year, when we bought $123,000,000 worth more from the United States than we sold to them, we sold to the United Kingdom $121,000,000 worth more than we bought from them. In the language of baseball, we allowed the United States to put one over us in order that we might put one over Great Britain. Well, that is a very horrible state of affairs to have been brought about by an imperialistic and patriotic party such as I see opposite to me, to allow the United States to perpetrate this thing against us so that we might perpetrate a similar horror against the United Kingdom. It ought to give every man on the right side of the House the shivers—but such is the fact. I will repeat the figures for the sake of my hon. friend the Minister of Public Works, because I am not sure that he is very good at figures. We bought from the United States $123,000,000 worth more than we sold to them, and during the same year we sold to the United Kingdom $121,000,000 more than we bought from them. It appears to me a strange course to be followed by a wise Minister of Finance of an imperialistic party, a party which came into power pledged to increase the business of this country with the United Kingdom, and if possible almost to destroy it with the United States. I know the minister did not know about that placard, but the placard was hung over the streets of Ottawa all the same—no truck or trade with the Yankees. This party came into power pledged to increase our trade with the United Kingdom, within the Empire, and to decrease it or at any rate to frown upon it with the United States. They have increased it with the United States, and they have diminished it within the Empire.

Now, what should they have done? A

wise minister—I was going to say an all-wise minister, but my hon. friend does not know it all or I would not have to tell him now what I am telling him; he does not practice what he knows anyway, and this would be a much better world if we all did as well as we know, and my hon. friend the Minister of Finance is one of the greatest sinners in that respect, because he knows a great deal more than he practices, and I want to bring his practice up to what he knows—he knows that at the very time he should have given free wheat in order to increase our exports to the United States, so as to change the adverse balance into a favourable one, he should not have put an extra 5 per cent duty against goods coming from Great Britain, but rather he should have reduced the tariff against that country, or have rubbed it out altogether, so as to get more from them. Then we would have been taking some steps to have prevented the United States from putting one over us, and we should have ceased, especially at this time when the balances are so difficult for the British Chancellor of the Exchequer, to embarrass the Old Country to the extent they are doing by exporting so much more to her than we are importing from her.

I am sure the Minister of Finance will admit that I have not taken up much of the time of the House and I have not spoken in a controversial spirit. I am prepared with him to let by-gones be by-gones about words. If he will never mention reciprocity again, neither will I. But he must meet me half way; while he gives up the word, he must help me to establish the trade; that is the great thing. It is no joking matter, Mr. Chairman, because this money that we are borrowing will have to be paid back. Individuals may escape debts, but a respectable nation like Canada cannot. We shall have to pay this debt back, and we shall have to pay the interest on it. The minister has tremendous problems before him in the immediate future; I do not want to aggravate them by wasting his time. I hope that the minister will not make a long speech in reply to the remarks that I have made. I want him to think very seriously, almost prayerfully, about what I have said, before he makes answer at all, because when his answer comes I want it to be the right kind of answer. I want to bring home to him what is already very close to him, the terrible problems that he has to face in the future of this country in the way of paying these debts and of putting our trade upon a proper basis. Let him become a free trader as he used to be in his youth. They say that a man is very rarely wholly untrue to his early beliefs, and I have great faith in the elasticity and breadth of mind of the Minister of Finance. If ever a national party is formed in this country, with all my respect for the member for South York I do not think he will be the man for that party; I think the Finance Minister will be the man. And, if he will get back to the ideas of his youth and not go on doing this horrible, excessive trade with the United States and do more trade with Great Britain, I shall be one of the most humble of his followers. I hope that he will take into consideration, anyhow, the horrible state of the balance of our trade that has come about since he came into power. I hope that he will consider the matter and adopt as much as he can of my suggestion.

Mr. GLASS: The remarks of the hon. member for South York (Mr. W. F. Maclean) have been very interesting; equally interesting has been the answer of the minister. The hon. member for South York says that the banking system of the United States has been brought to a state of perfection. It is a fact that during the last three years the United States has spent over $50,000 in making investigation of the subject of rural credits. After careful investigation, it has been found that the ordinary banking system of that country fails to meet the needs of the farming community. Last year several Bills were introduced into the United States Congress, but none of them were sufficiently comprehensive to be finally adopted. The matter was left with a joint committee of Congress and the Senate last year to devise and present a Bill for adoption at this year's session of Congress. With all its good features, it would seem that the banking system of the United States does not meet the varied needs of the agriculturalists and of the industrial communities. The minister is to be congratulated on broadening the lines of banking so as to provide a better system of credits for our farmers. I am sure that before thus responding to a popular demand and an urgent need, he must have given the matter a good deal of consideration. As the needs develop, the minister will broaden and extend the banking system in such manner as to provide adequately for all the needs of Canadian agriculturalists. The steps which have been taken will prove a great stimulus to agriculture and its allied in-

dustries. Just in proportion as the desirability of intensive farming is urged upon our farmers, so much the greater will be their need for banking accommodation. The minister, therefore, has made a progressive step in this respect, and it gives me pleasure to congratulate him for doing so.

Resolution reported and concurred in.

Sir THOMAS WHITE thereupon moved for leave to introduce Bill No. 60, to authorize the raising by way of loan, of certain sums of money for the public service.

Motion agreed to and Bill read the first time.

CUSTOMS TAXATION.

On motion of Sir Thomas White, the resolutions reported from the Committee of Ways and Means on March 15 were concurred in.

Sir THOMAS WHITE thereupon moved for leave to introduce Bill No. 61, to amend the Customs Tariff, 1907.

Motion agreed to and Bill read the first time.

TAXATION OF PROFITS.

The House in Committee of Ways and Means, Mr. Rhodes in the Chair.

On paragraph 1—interpretation clause:

Sir WILFRID LAURIER: There is a change in this from the resolution as first introduced. The first resolution read:

1. That, in the following resolution, "Minister," means the Minister of Finance of Canada; "non-Canadian company" means an incorporated company having its head office or principal place of business outside of Canada, but having assets in or carrying on business in Canada—

The minister has added:

—either directly or in the name of another company.

Is any machinery provided for ascertaining if a foreign company is carrying on business in Canada in the name of another company, either directly or indirectly?

Sir THOMAS WHITE: The only machinery will be the machinery of the department in administering the Act. The Act will have to be administered by officials, and it will be the duty of the officials to inform themselves in such manner as they may be able as to the facts in such a case. The object, of course, is to prevent evasion of the terms of the Act through a foreign company, which is not doing business directly in Canada, being permitted to carry on business through another company.

Sir WILFRID LAURIER: Are there any such companies doing business here in the name of other companies?

Sir THOMAS WHITE: Not to my knowledge at present; but I think it is necessary that the Act should cover the case.

Mr. GRAHAM: Does the Copper Company come under this section?

Sir THOMAS WHITE: Not this particular section.

Mr. LOGGIE: The definition of the word "person" is so broad that it would seem to cover an incorporated company, either a limited liability company or any other incorporation.

Sir THOMAS WHITE: The word was so defined in order that it might be used throughout the Act to represent not only individuals, but firms, partnerships, associations, incorporated companies or other corporate bodies.

On paragraph 2:

There shall be levied and paid to His Majesty a tax of twenty-five per centum of the amount by which the profits, earned in any business exceeded, in the case of a business owned by an incorporated company, the rate of seven per centum per annum, and, in the case of a business owned by any other person, the rate of ten per centum per annum upon the capital employed in such business. Such tax shall be levied against and paid by the person owning such business for each and every accounting period ending after the thirty-first day of December, one thousand nine hundred and fourteen.

Provided, however—

(a) that the amount paid or payable by any person under the provisions of part one of the Special War Revenue Act, 1915, shall be deducted from the amount which such person would otherwise be liable to pay, and the minister shall have power to determine any questions that may arise in consequence of any difference in the several periods for which the taxes under the said Act and those proposed herein are payable;

(b) that the dividends received from the stock of any incorporated company which has paid a tax upon its profits under the provisions of any Act based upon these resolutions shall not be included when the profits of any business are being determined; and

(c) that the amount of any tax paid by a person under the provisions of the Finance Act (No. 2) 1915, passed by the Parliament of the United Kingdom of Great Britain and Ireland or under any legislation for raising revenue for the present war in force in France, Russia, Italy, Belgium, Servia, Montenegro, Japan or the colonies or dependencies of any of

these countries in respect of the profits of any business liable to taxation hereunder shall be deducted from the amount of the tax that would otherwise be payable by such person.

Mr. GRAHAM: Did this point ever strike the minister, that the war loan being exempt from this taxation, if the whole $100,000,000 of the war loan were subject to the taxation of 25 per cent, the rate of that war loan would be pretty high. For instance, 5½ per cent is, in round figures, the rate payable on the war loan. Thus there would be about $5,000,000 annual income in interest payments to the holders of these bonds. If the minister will figure that out he will find that in the three years, if this whole amount be exempt, the Government will lose by this exemption in taxation something over $3,000,000.

Looking at it from the other angle, those who are exempt will receive a rate, on account of that exemption and including the 5½ per cent interest of about 6¾ per cent on their money. In other words, taking the exemption, and the rate of interest paid by the Government on the war loan together, the war loan is costing the country about 6¾ per cent.

Sir THOMAS WHITE: I do not follow my hon. friend. I think he is assuming that the war loan is held by the businesses that will be subject to this tax.

Mr. GRAHAM: That is my presumption.

Sir THOMAS WHITE: My hon. friend knows that the war loan is held by some 25,000 individuals, firms, and companies throughout Canada, and it is probable that a considerable amount is held by businesses which become subject to this taxation proposal. But my hon. friend has no doubt observed from the text of the resolutions that we do not impose any tax until the rate earned is 7 per cent in the case of companies, and 10 per cent in the case of individuals. Therefore, it would not immediately apply to the revenue derived from the loan. A company which held a part of the war loan, and whose net profits were estimated, would be entitled to say, so far as the interest upon the war loan is concerned, that it was exempt from taxation, and that it should not be taken into consideration in imposing this tax.

Mr. GRAHAM: Take a concrete example. The banks hold $25,000,000 of that loan. They pay more than 7 per cent, consequently their excess profits would be taxed. The $312,500 which they will save in one year, will, in three years, amount to something like $1,000,000. Perhaps I have not made myself clear. Exemption from this tax will save the banks, on the $25,000,000 of the loan which they hold, $312,500, and in three years, the period for which the loan runs, they will benefit to the extent of over $1,000,000.

Sir THOMAS WHITE: I think my hon. friend is confused, if he will pardon me saying so. The banks hold a certain amount of the war loan. They did hold, I think, about $20,000,000. I doubt if they hold $20,000,000 now, because there has been a good demand for the loan, and it has been gradually absorbed. Let us assume, however, that they hold $20,000,000 of the loan. In estimating the amount that any bank would pay under this proposal, we should have to consider the net profits of the bank, and in estimating the net profits, regard would be had to the gross profits, and to the cost of administration. Among the gross profits undoubtedly would be the interest upon these securities. But, as I pointed out, the interest is less than 7 per cent on the amount invested in them. I do not think that the banks would save in respect of holding these securities, except that it might be said that, if instead of holding these bonds they held some other securities that yielded over 7 per cent, they would be liable to pay a little more. But, after all, if my hon. friend considers the total assets of the banks of Canada, from which they earn their gross profits, the sum of $20,000,000 is relatively a very small amount. My hon. friend knows that it is necessary in floating a loan, in time of war especially, to provide that it shall be exempt from taxation by the Dominion. If we had an income tax in this country, I have no doubt that private individuals would buy the war loan, as they have bought securities in the United States and other countries that are exempt from taxation for the purpose of avoiding the claims of the income tax. But I think it has no real bearing upon the principle of the Bill, if my hon. friend will permit me to say so; nor is it objectionable, so far as I can see, that the banks should hold a substantial part of the war loan because it is exempt, for it is exempt in the case of any citizen as well as of the banks.

Mr. GRAHAM: I was not objecting to it. It makes the loan easier, and more attractive. It might help the loan, certainly it

will not injure it at all. If my point has any influence at all, it should show that the loan is a better investment than it looked on the face of it, particularly to those who come under the clauses of the other tax bill. Exemption, as I figure it out, is practically equivalent to about 6¾ per cent under the ordinary circumstances; that is to say, if the individual were subject to the war tax. Exemption makes a difference of 1¼ per cent.

Sir THOMAS WHITE: I am not able to agree with my hon. friend. However, I do not think it is desirable that we should get into a mathematical argument.

Mr. LOGGIE: Is there not a conflict in this section where it says that incorporated companies are to pay when they have a profit of over 7 per cent, and that persons are to pay when they have a profit of over 10 per cent? In the section, already passed, we have a definition that "person" means an incorporated company. The minister told us that "person" meant an incorporated company. If that is so, is there not a conflict between the two statements in this section?

Sir THOMAS WHITE: If my hon. friend will read section 2 he will see that there is no conflict. The word "other" is there; it says "in the case of a business owned by any other person the rate of 10 per centum per annum upon the capital employed in such business."

Sir WILFRID LAURIER: There has been a good deal of discussion upon the provisions contained in this second section, but it seems to me that the point has never been made clear, at least not to me, why there should be a discrimination between incorporated companies and other persons. The incorporated company is allowed a profit of 7 per cent, and any other business is allowed a profit of 10 per cent. I repeat that the matter has not been made clear to me why there should be such a difference.

Sir THOMAS WHITE: In order to answer my hon. friend, it will be necessary for me to dwell for a moment upon the principle of the Bill. The Bill is not a tax upon all profits, nor upon capital. The idea is this: Since the war broke out many persons, many firms, and many companies have not been able to maintain the rate of earnings which they maintained before the war. In many cases, net earnings have been reduced, and dividends have been passed or reduced. In the case of other businesses, whether carried on by persons, firms, or companies, it is a fact that since the outbreak of the war net earnings have been maintained upon the pre-war basis, or even higher. In many industries and businesses of Canada very large net profits have been made. The principle of the Bill is this: We fix upon a rate of net profits which would be deemed reasonable in normal times and we say, in the case of persons, firms, and companies which have, since the outbreak of the war, or in any accounting period ending since the outbreak of the war, not been able to make that percentage of net profit that they shall not pay because the inference would be that they had suffered somewhat from the war. On the other hand, take the case of persons, firms and companies who have earned in the accounting period since the war broke out more than the normal percentage of profit; the inference is in this case, speaking generally, that they would not be disadvantaged by the war. In many cases they have been greatly advantaged by the war, and the idea is to raise this taxation from these rather than from those of the former class. The idea is that those who have not been injuriously affected by the war, and those who have made profits out of the war, should contribute a portion of those profits to the exchequer of the country for the purpose of carrying on the war; whereas, those who have not been able to maintain their normal rate of returns upon capital shall not be taxed. In answer, particularly to the question of my hon. friend; he does not understand why, in the case of private individuals and partnerships we allow 10 per cent on capital before the tax applies, whereas in the case of incorporated companies we allow 7 per cent only on capital before the tax applies. There are many reasons. The reason which appealed to me particularly when I brought down the Budget was that in the case of many companies—not all, but a large percentage—it is not possible to ascertain the precise cash value of the assets, as can be done in the case of firms and partnerships, because the matter has been complicated by the issue of stock for assets acquired by the company. That is one reason. Another reason is this: An individual who engages in business is responsible to the full extent of his estate for the debts of the business. In the case of joint stock companies shareholders enjoy the advantage of

limited liability. They can be called upon only to the extent of the shares for which they have subscribed or which they have paid up. Men are able to take an interest in many joint stock companies. Men, operating through boards of directors, are able to invest their capital in fifteen, twenty or more joint stock companies. They are liable in each one only to the limit of the shares which they hold in each, whereas, if a man goes into business for himself, or if partners engage in business, they are liable to the extent of their entire estates for the debts of the business. It follows that an individual would expect, and would be justified in expecting, a higher rate of return in the case of a business conducted personally by himself without the benefit of limited liability. Men engaged in business for themselves, or partners engaging in business, expect to make, under ordinary business conditions, a return of at least 10 per cent upon their capital. I think that would be concurred in by business men. Let us take the case of joint stock companies, and particularly industrial companies which we are dealing with just now; seven per cent is the natural rate that occurs to one as representing a fair return upon the par value of stock paid up in a going concern. Preferred stock is usually put out on about a seven per cent basis. Men are willing, by reason of the advantage which they enjoy from the joint stock principle to take a less rate of interest upon their capital. They do not have to give the matter their individual attention, and they have the advantage of limited liability. These are some of the considerations which lead me to say that 10 per cent would be deemed, in a business community, only a reasonable return to a person, firm, or partnership, whereas seven per cent would be deemed to be a reasonable return upon a business conducted by a joint stock company. In England, in applying this tax, their principle is the same. Taking a pre-war standard, they fixed upon six per cent in the case of a limited liability company, and seven per cent in the case of persons, firms, and partnerships. But, so far as we can ascertain, having regard to the conditions of business, we think seven and ten per cent respectively would be a fair rate in this country.

Mr. A. K. MACLEAN: I have never seen the English Finance Act, Bill No. 2, but I read the debate upon it when it was introduced by the Lord Chancellor. I understand that the profits taxed are the profits which are in excess of the peace time profits. They, I understand, establish peace time profits by taking a period of three years, and they only tax the profits which are in excess of the peace time profits, but they tax them 50 per cent. I would like to know if I am correct in that.

Sir THOMAS WHITE: My hon. friend is in one respect correct in his conception of the Act, and incorrect in another. One principle of the Imperial Act was this: they established for a three-year period the net profits of a company which would become subject to the tax. They sought to establish the net earnings, or percentage of net earnings, for the three-year period. They made their legislation retroactive to the outbreak of the war, and they said to a company: If you have made more since the outbreak of the war than that average rate of profit, we are going to take 50 per cent of the excess.

Mr. MACLEAN: That is what I say.

Sir THOMAS WHITE: My hon. friend will understand that there are companies which had not been in existence three years previous to the war. Then they fell back upon this principle; they said: What pre-war standard shall we fix upon? They fixed the pre-war standard at six per cent and seven per cent.

Mr. MACLEAN: That was because they just had that profit.

Sir THOMAS WHITE: This six or seven per cent was what could be regarded as pre-war standard which would be fairly earned upon the capital of these companies. Section 40 of the British Act reads:

(1) The profits arising from any trade or business to which this part of this Act applies shall be separately determined for the purposes of this part of this Act, but shall be so determined on the same principles as the profits and gains of the trade or business are or would be determined for the purpose of income tax, subject to the modifications set out in the first part of the fourth schedule to this Act, and to any other provisions of this Act.

(2) The pre-war standard of profits for the purposes of this part of this Act shall, subject to the provisions of this Act be taken to be the amount of the profits arising from the trade or business on the average of any two of the three last pre-war trade years, to be selected by the taxpayer (in this part of this Act referred to as the profits standard): Provided that if it is shown to the satisfaction of the Commissioners of Inland Revenue that that amount was less than the percentage standard as hereinafter defined, the pre-war standard of profits shall be taken to be the percentage standard.

The percentage standard shall, for the purposes of this part of this Act, be taken to be an amount equal to the statutory percentage on the capital of the trade or business as existing

at the end of the last pre-war trade year, subject, however, to the provisions of this Act as to any alteration in the manner of calculating the percentage standard in special cases.

The pre-war standard of profits was six per cent in the case of companies, and seven per cent in the case of individuals. The English Act is exceedingly complicated, and I desire to draw my hon. friend's attention to a feature in the English situation which does not exist here. My hon. friend knows there is an income tax in England, and that must be borne in mind when instituting any comparison between the English legislation and our own. All companies in England are subject to that income tax. In this country, of course, we have no income tax. If we institute a comparison in our legislation between the profits of a company in Canada since the war, and the profits of a company in Canada before the outbreak of war, in many cases some such result as this would occur: A company might be earning twenty per cent before the war broke out. If it continued to earn twenty per cent after the war broke out, it would not pay anything. On the other hand, a company that was earning, let us say, six per cent before the war broke out might be earning ten per cent after the war. In that case, on the principle of the English Act, we should take half the difference between six and ten. It seems to me that it would be manifestly unfair to tax the company which is making only ten per cent and allow the other company which is making twenty per cent to escape. The principle of the English Act must be considered in the light of the fact that all those companies in England are subject to income taxation, which has been greatly increased since the outbreak of the war.

Sir WILFRID LAURIER: I have listened to the explanation of my hon. friend, but it seems to me that the distinction which he makes between incorporated companies and unincorporated companies is arbitrary and not at all fair. The rule is to be that an incorporated company will be allowed only seven per cent of profits before being taxed; but that an incorporated company, carrying on just the same kind of business, is to be allowed ten per cent. I have in mind in the city of Montreal two large retail dry goods stores. One I know is carried on by an incorporated company; as to the other I am not quite sure, but I believe it is unincorporated. These two stores stand side by side, are doing exactly the same kind of business, running the same risks, and probably making the same rate of profit, but under these proposals one is to be allowed ten per cent, and the other only seven per cent. Now, it seems to me that this example shows very conclusively that the minister's method of selection has not been a happy one, and that an injustice will be done to some companies. It seems to me that the guiding principle ought to be, not whether a company is incorporated or not, but the rate of profit it is making compared with other firms doing the same kind of business. What reason can there be for discriminating between two enterprises doing the same kind of business and making the same rate of profit, just because one is incorporated and the other is not?

Sir THOMAS WHITE: My right hon. friend has overlooked the point I made with respect to limited liability. There is another point which I did not make, but which I desire to draw to his attention—as a general thing, in the case of partnerships comparatively small amounts are taken for administration, but in the case of joint stock companies, still speaking generally, the officials are paid, and the business is carried on by directors and other officers. It seems to me that the two points I have mentioned are of weight in this connection: first, the fact that in the case of many companies, if not most companies, there is a difficulty of ascertaining the precise value of the cash assets of the company; and, secondly, there is this feature of limited liability. As a result and consequence of that limited liability seven per cent is deemed to be a fair profit upon an industrial company, whereas ten per cent would be looked for by a man who pledges his entire estate in the conduct of a private business. No doubt the figures have been fixed arbitrarily in one sense, and yet not arbitrarily in another. In a tax bill you must fix arbitrarily on figures, and in reaching conclusions one should have regard to the general views of the community with respect to the matters dealt with. In the one case we have to consider what would be deemd a fair return upon the capital stock of an industrial or business company, and in the other what would be the percentage looked for by a private individual or partnership engaged in business.

Mr. PARDEE: I agree with what the minister has said so far as limited liability

is concerned, but I can hardly agree that in a joint stock company more officers are required, and the administration expenses are greater. In many joint stock companies the stock is largely held by one person, the balance simply being held in a nominal way to comply with the Joint Stock Companies' Act. I do not think, therefore, that that argument would apply to any very great extent. However, that is not what I rose to take exception to. I have here a letter from a very large manufacturer in the western part of Ontario. I shall read a portion of it, not with the object of making any criticism, but for the purpose of getting information. My correspondent says:

> It would seem to me that there ought to be a distinction made between financial companies and those engaged in manufacturing or business, but there should be no difference in the latter and the exemptions as between a company and partnership.

The instance that has been cited by the right hon. leader of the Opposition bears out the last part of my correspondent's letter, but it appears to me, although my view is subject to be corrected by the Minister of Finance, that so far as financial companies, pure and simple, and manufacturing companies are concerned, there ought to be some distinction made just as is pointed out in this letter. I would therefore ask the Minister of Finance to say whether or not in his opinion there ought to be some such distinction made.

Sir THOMAS WHITE: It would be difficult, under a measure such as this, to make any discrimination as between financial companies and other companies. After all, the proprietors of companies are the shareholders and the tax, of course, falls upon them. Now, shareholders of financial companies need their dividends just as much as do shareholders of industrial or other companies. I would say, that in the selling value of shares upon the market, in the case of a first-class financial institution, such as a bank or loan company, the shares would sell upon a lower interest basis than in the case, let us say, of an industrial company. That is in accord with the argument of my hon. friend.

Mr. PARDEE: Does my hon. friend not think that the risk in an industrial company is very much greater than that in a financial company?

Sir THOMAS WHITE: A good deal depends upon the industry; but, although opinion has changed considerably in that regard in the last few years, owing to the specialization of our industries, generally speaking, I may say that industrial stock is regarded as somewhat more hazardous than the stock of a financial institution. My hon. friend, when he mentions purely financial companies, such as banks, trust companies, and loan companies, will recall that, in my Budget speech of a year ago last February, we especially taxed those institutions; that is to say, we derive to-day out of existing taxation, apart altogether from this Budget, $1,000,000 from the banks, and a few hundred thousand dollars a year from the trust companies and loan companies. Resort was had to them in the first instance, and I think it could have been justified largely upon the idea that my hon. friend has in view. We now come to a point where we are imposing a more general and comprehensive tax. I have been unable, I am sorry to say, to see the question as between the joint stock company and the individual in the light in which my hon. friend from West Lambton (Mr. Pardee) evidently regards it. I think there is a distinction between the two classes, and, in seeking to apply the principle of the measure, namely, to tax profits in excess of what may be regarded as a normal standard, I find it necessary to distinguish between the two classes of business and to give the advantage to the privately-owned company in which a private individual or a firm is responsible for the whole of the estate.

Mr. A. K. MACLEAN: You will find small corporations, owned by the members of one family, who are conducting the business.

Sir THOMAS WHITE: The conduct of the business is practically the same as in the case of a partnership. My hon. friend, as a lawyer, will, I am sure, concede that in legislation it would not be
10 p.m. possible to discriminate as amongst joint stock companies. I agree with my hon. friend that very often a family or a partnership turns its business into a joint stock company and then it becomes what is called a privately-owned joint stock company; but my hon. friend knows that next week those shares could be distributed and sold, and then the company would become what is known as a publicly-owned corporation. There is, however, no distinction in law between the two, and I do not see how it would be possible to discriminate by legislation.

Sir WILFRID LAURIER: You are going to start on a wrong principle.

Sir THOMAS WHITE: I do not see how it is possible to discriminate between joint stock companies, and to say that one is publicly-owned and another is privately owned. A company, with the joint stock principle applied, is an entity different from all of its shareholders, and I do not see how we could discriminate.

Mr. LEMIEUX: Will land syndicates come under this taxation measure? I have in mind several companies which, as my hon. friend knows, have cropped up in the good times under the late Administration.

Sir THOMAS WHITE: You mean just before the war?

Mr. LEMIEUX: For instance, a company has bought a strip of land, say in the suburbs of Montreal, and is incorporated, not to do business for all time to come, but just for the sale of that strip of land. Supposing it has partly sold the land, will it come under this taxation measure?

Sir THOMAS WHITE: If a company has bought a tract of land and has sold part of it and is offering another part of it for sale, it is undoubtedly carrying on a business, and the question would arise under the provisions of this measure: What is its capital, its reserves, its accumulated profits? In other words, what is the amount of capital invested in that company and what are its net profits? No doubt in a case, such as my hon. friend has in view, there would be some difficulty in estimating the profits, but that is only a matter of administration under this measure; and, if it appeared upon a true balance sheet and a profit and loss account, that the company had earned for the accounting period a net profit in excess of 7 per cent, then it would come under this legislation.

Mr. A. K. MACLEAN: The hon. member for West Lambton (Mr. Pardee) raised quite an interesting point. There is no doubt that industrial companies are entitled to a greater profit than the trading concerns. Investments would not be made in industrial companies were there not a probability that very considerable net earnings could be made, for the reason, I suppose, that in prosperous years the profits must be abnormal in order to make up for the years in which substantial losses may be expected. Therefore, I think a distinction might very well be made between industrial companies and trading concerns.

I did not, however, rise to discuss that matter, but rather to ask a question suggested by the remarks of the hon. member for West Lambton. Supposing a manufacturing concern in the year 1914 had been in business for ten years, and that for nine years it not only did not pay a dividend, but actually lost money, which had to be supplied by the company by borrowings or otherwise, and let us say that since the war began these manufacturers—say of leather—had been fortunate enough to make a great deal of money. In computing their liability under this taxation scheme, would the company in this case be allowed to deduct all additions to capital or back dividends before the minister could step in and take his portion?

Sir THOMAS WHITE: I would say no. Here is a company which was earning practically no profits before the outbreak of the war, and by reason of the outbreak of war that company has been advantaged. We are raising this money to help pay our expenditures in the war. We take from that company not all the earnings which it has made as a result of the outbreak of the war; we allow them first 7 per cent free, and then we say: if you make more than 7 per cent we take one-quarter of one per cent, so that if you make 15 per cent we take two per cent.

Mr. MACLEAN: But that company may suffer losses for another period of five years after the close of the war. They may claim that they were entitled to excess profits.

Sir THOMAS WHITE: I think we could not have regard either to a period before the war or to a period after the war. The outstanding fact is that this particular company, in marked contradistinction to many businesses which have lost money as a result of the war, has made money as a result of the war. We say: if you have made money as a result of the war, we are going to take a little of that money from you to help pay our share of the cost of carrying on the war.

Mr. LOGGIE: The minister has said that one of the reasons that led him to place partnership companies on a basis of 10 per cent and incorporated companies on a basis of 7 per cent was the difficulty in getting at the exact cash value of the capital of incorporated companies. I must congratulate

the minister that on reconsideration he has vastly improved the resolution in that regard. As it was originally brought before the House, it certainly was not practicable, but as he has remodelled it, I think it meets the situation very well; it puts incorporated companies on practically the same basis as partnership companies. But the difficulty that led the minister to put partnership companies on a basis of 10 per cent and incorporated companies on a basis of 7 per cent has now disappeared, because he has found a way to get at the proper capital of over-capitalized as well as of under-capitalized incorporated companies. For the life of me, I cannot understand the equity of collecting from the partnership company one dollar and from the incorporated company four dollars. On a basis of 11 per cent earnings, you collect from the partnership company one dollar and from the incorporated company four dollars, or, in the larger number, $10, and $40, $100, and $400, $10,000 and $40,000.

Sir THOMAS WHITE: My hon. friend will permit me to correct him; I am sure that he does not desire to make an erroneous statement. My hon. friend has overlooked the fact that the Bill only takes one-quarter of the excess, so that if the percentage were 11, in the case of a firm, partnership or individual it would be one-quarter of a dollar, and in the case of a joint stock company, one per cent.

Mr. LOGGIE: I quite understand that; but what I say is absolutely true. If the minister will take a pencil and a piece of paper and work it out, he will find that on the basis of 11 per cent, for every dollar that the private company pays the incorporated party pays four dollars. On a 12 per cent basis the proportion is as two to five; partnership companies pay two dollars while an incorporated company pays five dollars. On a 13 per cent basis, the partnership company pays $3 and the incorporated company $6. So that on the basis of earnings of 11 per cent, one company pays 400 per cent more into the treasury than the other company. Is that equitable? I have in mind in a certain district four or five unincorporated manufacturing concerns having a larger capital than $50,000, and right beside them are a number of incorporated companies. Can the minister give me any reason why there should be a spread on 11 per cent earnings of 400 per cent as between the amounts paid to the Crown by these different kinds of companies? The minister has told us that in the United Kingdom there is a spread of one per cent, If the minister had suggested that the difference in this case should be one per cent, I should have been willing to consider it, but it does seem to me that the present proposal is unreasonable. The minister will find that the collection of this money will be attended with great difficulty; that the tax will be paid unwillingly by those who believe that the Government have not placed their company upon a reasonable basis as compared with that of other companies. I instanced a case in Ottawa and the minister has not replied. Can he tell me on what basis J. R. Booth of this city should escape paying any taxation, up to 10 per cent, whereas the E. B. Eddy Company and the W. C. Edwards Company will have to pay on their earnings over 7 per cent? I cannot see the equity of this, and I think that the minister will be well advised if he decreases the spread between 7 per cent and 10 per cent. If he makes it 7 per cent and 8 per cent there will be much less fault found with this measure when it comes to the collection of the tax. I would ask the minister to allow this to stand and to reconsider it. The right hon. leader of the Opposition instanced the cases of two dry goods firms side by side. Will the minister say why he should make it possible for one dry goods man to get his store rent free for three years? That is what it means, because the other man would have to pay the equivalent of his rent into the Crown, although he has the same earnings and stock. Many incorporated businesses are practically the same as though they were not incorporated. Of course in this I do not refer to the very large incorporated companies, such as the Canada Cement Company or the Canada Car Company. In such companies there is, perhaps, a significant difference, but in the ordinary incorporated companies, doing business say on the Miramichi river or in Bathurst or Shediac, the difference is very slight. I have in mind two businesses in Shediac that would probably come under the law, one incorporated and one conducted by a person. In the name of all that is fair and true, why should you ask one man to pay $4 and the other man to pay only $1, assuming the same basis of earnings and the same capital? My hon. friend has referred to the limited liability of the incorporated company and has advanced that as a reason why these companies are incorporated. I can give an-

other reason that is perhaps a greater incentive to incorporation, that is the question of succession; a business is incorporated so that in case of death the business can go on without interruption. Whatever advantage there is in that the companies pay for it when they get their incorporation papers. I think the minister is wrong in making a spread of 3 per cent, making the tax in some cases on one firm 400 per cent greater than on another.

Mr. McCREA: Another reason for not having this inequality against the incorporated companies is that the company pays a provincial tax to the provincial treasury, whereas an individual or partnership does not. For the sake of argument and emphasis, take the case of our citizen, J. R. Booth. If his institution was incorporated at its proper value and his properties capitalized at anything near their actual value, and the business was conducted as a limited liability company, he would be paying many thousands of dollars in taxes to the provincial exchequer, through the provincial collector of revenue, whereas he pays nothing.

Sir THOMAS WHITE: So far as I am aware, there is always, in connection with public taxation, a discrimination against the joint stock company in favour of the individual, for the reason that the joint stock company does enjoy a privilege conferred by the State. This is simply a difference of opinion as to the amount of spread, and it seems to me it can best be determined by our considering again what is the principle of the Bill. The principle of the Bill is to collect a certain amount of excess profit beyond what might be regarded as the normal percentage of return Supposing a private individual is going into business, he is going to pledge his whole estate in the business. If he fails, he loses everything. How large a percentage of return might he reasonably expect upon his capital? I ask the House to bear this further in mind, that in the case of individuals and firms no large salaries are taken out of the business as in the case of joint stock companies. A private individual gives his attention, day and night, to his business; he takes out in most cases only the amount of his living expenses; but in the case of a joint stock company they pay directors, they pay the president, they pay the officials, and they have to compete in engaging those officials with others requiring their services. All of these payments are taken out of the earnings before this tax. That raises a very strong consideration in favour of the private individual as compared to the joint stock company in respect of the rate of return which may fairly be expected. Is there any man in this House who would go into general business to-morrow and give his time to it, day and night, taking out only his living expenses or a very small salary from the business, and accept a less return than 10 per cent upon his capital? That is question number one. Question number two is: In the case of a joint stock company, is it not a fact that the shareholders have the advantage of limited liability, that if the company fails they do not have to pay more than they have put in the company or subscribed upon its shares? Is there not a clear advantage there to the joint stock company which should be recognized in any legislation of this kind? There is no province in this Dominion, so far as I know, there is hardly a state in the union, that does not impose taxation on joint stock companies because they are joint stock companies, because of the privilege they enjoy of limited liability, which is a much greater privilege than people generally recognize. Let us assume two businesses side by side. In one case, A, a private individual carries on business. He fails; he loses everything he has in the world. Beside him B, a more prudent man, who is worth a million of dollars says: I am not going to risk my million dollars. He will subscribe stock in a joint stock company to the extent of $200,000, and will engage in business alongside of A. B does not lose his million dollars; he loses only $200,000.

Mr. ROSS: Does the same difference in liability exist in Great Britain? What is the reason then for the difference in the spread as between 7 per cent and 10 per cent. Why should that spread be made so large in Canada when the spread in the liabilities as between incorporated companies and private companies is so small?

Sir THOMAS WHITE: It does not necessarily follow that the British Act fixes the precise or correct standard in each case; that is open to argument. My hon. friend will hardly lay it down as a principle that we must be solely guided by British legislation. The point my hon. friend has overlooked is this: interest rates are much lower in England and there is a greater stability in an older country than in a new country and investors are content with lower rates of interest. While I do not pretend to know the English situation, I

should assume that a private individual there would be more content with 7 per cent, having regard to the rate of return which can be obtained in the United Kingdom, than an individual in a comparatively new country like this, with no settled situation as they have in Great Britain. In this country they would expect 10 per cent.

Mr. McCREA: I think that if the minister will examine the records, he will find that where men go into partnership concerns with a certain amount of capital—I do not mean men who go into business without capital, but men who go into business on their own account as partners with capital—the percentage of failures is very much less than it is in the case of companies in which the same amount of capital has been invested in the first instance. In the case of partnerships a man handles his own money, but in the case of companies or corporations he has nothing to do with the control of the money, and in many cases the money is lost. The failures of corporations are very much more numerous than they are in partnerships where the same amount of money has been invested at the commencement of the business.

Mr. LALOR: I am not interested in a private company, nor in a partnership; my interest, so far as manufacturing business is concerned, is all in joint stock companies. It strikes me that the spread of three per cent is fair. The advantage of a limited liability company is very great indeed. As every one knows, your assets, outside of your liability, in that company, are entirely free. Let me cite an instance which may bring more clearly before the committee the difference between a limited liability company and a private company or partnership. If there is a partnership, and you want to borrow from the bank say $10,000, $50,000, or $100,000, as the case may be, you go to the bank and endorse that note, and become responsible for it. In a limited liability company you do not do that at all. If you were to ask the directors, or the stockholders, of a company to endorse the notes in a bank for the money borrowed to carry on the business they would absolutely refuse to do it.

Mr. A. K. MACLEAN: I venture to say that 51 per cent of the corporations in Canada have their paper endorsed by their directors.

[Sir Thomas White.]

Mr. LALOR: I quite agree that that is sometimes the case, but it is not always the case.

Mr. MACLEAN: Pretty nearly.

Mr. LALOR: I do not know of any company with which I am connected which has to do that; neither directors nor stockholders endorse individually. Surely the stockholders are never called upon to endorse; they are free entirely from that liability, whereas in a partnership, or in the case of an individual carrying on a business, he has to become responsible entirely for the money which he borrows, and for the capital which he invests. Not only that, his assets are liable as well. There is a very great difference, and although my interests are in stock companies, I think the spread is equitable and fair.

Mr. HUGHES: I want to present one idea to the minister. I presume that the object of this legislation is that it shall reach as many people who should be taxed as possible, and particularly those who have made profits on account of the war. It is pretty well known that there are a number of people in this country who are known as middlemen, and who have made profits by getting contracts, and passing them over to others. I think the usual rate of commission is about 10 per cent in these cases. Under this legislation these people would, apparently, escape altogether. They have taken no business risks; they have, as a rule, provided no capital, and it seems to me that if there is any class of persons in the community who should be reached, it is that class. I have in mind some people who have done business on the percentage basis with the Government direct in purchasing war supplies, and who have received a commission of 10 per cent, and made considerable sums of money, with very little effort on their part, and, as I have stated, with no risk at all, and no capital. If these people escape, I think it would be most unfair.

Mr. HUGHES: If their profit is ten per cent, and does not exceed that, as individuals they would escape. If a company acted in that capacity, and made 10 per cent, they would not escape. I could mention names—they are well known. Take the Ellis Bros. of Toronto, for instance; they purchased binoculars for the Militia Department, and 10 per cent was the commission they received. I forget the total amount which they made, but it was quite a large sum

of money, and it was easily earned. Under the conditions that I have stated, if they were individuals, or were in private partnerships, they would escape.

Sir THOMAS WHITE: I may point out, although I am not quite sure of the facts, that the firm of Ellis Bros. is an incorporated company, and any earnings that they may have made out of the transaction to which my hon. friend refers, would, I should think, be included in the company's earnings, and, consequently, they would become subject to the provisions of this Act. My hon. friend has spoken of middlemen. I inserted a provision in section 4 which I think will meet the case of individuals who have acted as middlemen and made large profits. Of course there will be cases of middlemen in petty transactions whom the Act will not reach, but if my hon. friend will look at subsection (a) of section 4, he will see that the $50,000 limit does not apply to the business of any person who is or has been engaged in manufacturing, or in dealing with munitions of war. I put the words "or has dealings in" just to meet that case.

Mr. HUGHES: I have not the right resolution here then; there is no subsection 4.

Mr. COPP: The Minister of Finance is in rather an unfortunate position in regard to the resolution which he has introduced for the purpose of raising taxation. The principal reason for his taxation proposals apparently is that the minister has realized fully during the present session, and possibly before, that a large number of incorporated companies have made excessive profits out of the supply of munitions of war. I appreciate very much the attempt of the minister to get something out of the parties who have made such excessive profits, but while the minister, by the action he has taken, admits the propriety of the principle of attemptng to recover unjustly acquired profits, he finds himself in this unfortunate position that if he only levied the tax upon those who have furnished munitions of war, he would be admitting the truth of what has been charged against the Government in this respect. To get clear of that dilemma, the hon. gentleman has seen fit to levy this taxation upon all corporations and partnerships doing business in the country. The tax that he is levying upon companies and partnerships for the purpose of obtaining the revenue that he requires is unfair and inequitable. My hon. friends have given illustrations of the manner in which this tax will be applied. One cannot cite illustrations without being sectional, and without referring to matters that are personally known to himself. We have a number of incorporated companies in my county doing business side by side with partnerships, and the inequality of the arrangement as applied to these two classes of businesses was well illustrated by my hon. friend from Northumberland (Mr. Loggie). In my county there are two firms practically side by side carrying on exactly the same business. One business is carried on in the name of an incorporated company; it is purely and simply a family affair, an incorporated company having been formed by the brothers interested in the business. The neighbouring business is carried on under partnership, and if anything there is more money invested in the partnership than in the incorporated company. I happen to know these organizations, as I have done business with both. On what principle of equality is it proposed to tax the profits of the incorporated company exceeding 7 per cent while the partnership can have a profit of 10 per cent without paying anything into the treasury? I do not know whether the minister has absolutely considered all the points raised by hon. gentlemen here to-day, or whether he has fully made up his mind to put this resolution through and levy the taxation on that basis, but I say that it is a most inequitable arrangement, and one which must raise a great deal of dissatisfaction throughout the country. I have had a number of letters and telegrams from my constituents protesting against this great inequality as between partnerships and companies. On behalf of these constituents I beg to draw the attention of the minister and the members of the committee to the matter. I sincerely trust that the minister will see his way clear to reconsider this proposal and put the different organizations which are being taxed on a more equitable basis so that they will pay an equal amount into the treasury whether they are doing business as incorporated companies or as partnership firms. The hon. member for Haldimand (Mr. Lalor) speaking in regard to the status of companies as compared with that of partnerships, said that all the assets of the partnership are at stake. I may say to him that I know that the directors of a number of companies in my province, if they want to borrow money from the bank,

have to go to the bank and endorse notes the same as private individuals have to do.

Mr. LALOR: How about the stockholders; do they have to do that?

Mr. GRAHAM: The directors own most of the stock.

Mr. COPP: It is not customary for stockholders to endorse notes, because a very large amount of the stock is generally held by the directors. One of the qualifications for a director is that he must hold so much stock. They usually go to the bank when they want to borrow money, sign notes as directors, and makes themselves personally liable. I know of some cases where the shareholders of companies have also had to go to the bank with the directors and endorse notes to enable them to borrow money to carry on their business. I felt it my duty to bring these facts to the attention of the committee. They have come to me, not because I have any interest myself; I am in very few companies and in no partnerships. I am not speaking from the personal standpoint, but I am simply trying to voice the sentiments and complaints of a number of my constituents in regard to this matter. I would urge the Minister of Finance to adopt some of the suggestions which have been made by hon. members on this side of the House.

Mr. GRAHAM: I presume the minister will agree that one equitable way to have imposed this taxation would have been to have levied it on income. Might I ask him if he was influenced in any way against that plan by the suggestions of the provinces, or by an intuition that the provinces wished to retain that source of revenue for themselves? I have seen some discussion recently on that point. It is a well known fact that the provinces are having their difficulties, as well as the federal authorities, in finding new sources of revenue. In Ontario, for example, so long as we had our reserves of timber resources, these looked after the revenue fairly well. At the present time the revenue is not coming from that source to any great extent. The provincial treasurer of necessity is looking for new sources of revenue. Some of the incorporated companies that will be taxed under this Act have ben taxed for years by the provinces. A certain rate is also being imposed by the municipalities throughout the provinces for war purposes. I am inclined to think that the treasurer of Ontario at least has his eyes on income taxation as a fruitful source of revenue at a not far distant date.

Mr. LALOR: They will have to stop dividend payments then.

Mr. GRAHAM: The Minister of Finance seems quite shy of an income tax which would reach every person earning above a certain income. I think he had in mind that this source of revenue should be reserved to the provinces. Of course, the principle of direct taxation by the Dominion Government is comparatively new, and when the minister was considering possible sources of revenue he, perhaps, said: I will not impose taxation on incomes, but will leave that to the provinces. The remarks of my hon. friend from Haldimand (Mr. Lalor) are all right, but we are not all on velvet, as the saying is, and in as big a way as he is. War or no war, he goes along with an equanimity which a good many of us envy. But it was the smaller companies I had in mind, where the limited liability does not cut much figure. A large proportion of joint stock companies, at all events in Ontario, are formed for convenience sake. A father may want to get his two or three sons in the business, and as young men nowadays do not like to work with their father if there is nothing coming directly to them, a joint stock company is formed, and the stock distributed amongst the father and his sons. But all of us are not fortunate enough to have sons, I am not referring to myself. On the one hand, then, we may have a father and his three sons engaged in a joint stock company, and on the other hand a man who has no family and is not in a joint stock company. He has only his capital. Now, the inequality comes in because one man is allowed to earn only seven per cent, while his neighbour is allowed to earn ten per cent. I am inclined to think that the spread is a little too great, particularly when we take into account the fact that a very large percentage of these businesses have been formed into joint stock companies, at all events in Ontario, merely for the sake of convenience and for the purpose I have outlined. The larger companies can look after themselves, but it does seem to me that it would be more equitable if some plan could be devised applicable to these smaller companies. In discussing this tax on business, I am not referring to those companies, whether large or small, that

have made big profits out of the war. We all agree that they ought to hand back a good deal of their profits, because we are all being heavily taxed on account of the war. But I am referring to the smaller companies that have been formed as family affairs, and which perhaps comprise seventy-five per cent of the whole. If the minister could include these companies in a separate class—it might not be easy to draw the line—I think it would remove a great many of the objections that some business men have to this legislation, and it would remove the feeling which some of them have that they are not being treated fairly as compared with others. A point was raised by an hon. member a few moments ago that has bothered me considerably. I am sure the Minister of Finance understands that I am not making these suggestions for the purpose of worrying him. Taxation, of course, is not welcome at any time, and we are all of us interested in any taxation proposals. Under present conditions, however, taxation will be more cheerfully borne than under any other circumstances you could possibly imagine, and I want to assist the Minister of Finance so that every one will be satisfied that each is bearing his share of the taxation and no one more than his share. An hon. gentleman speaking a moment ago made this point, and it is particularly applicable perhaps to some of the smaller companies I have mentioned, and perhaps partnerships as well. Owing to the general revival in business on account of the war, many of these smaller companies not directly engaged in producing war supplies are in a much better position than they were a couple of years ago. Then they had their face, you might say, almost to the wall, but now many of them are sharing in the general business revival. Many of these companies may be using a portion of their surplus to pay off a heavy bank over-draft of a couple of years ago. These companies will be taxed on all profits over seven per cent, and I think when the war is over they are going to have a very, very difficult time. We all agree that it will be a miracle if there is not a decline in business in the readjustment period. After the war is over, this artificial business will disappear, and these smaller companies will have to look to their ordinary business. Values are sure to go down, and I think many of these smaller companies will need a respectable part of their surplus to carry them over the readjustment period. I am afraid this taxation will have the effect of driving some of these smaller companies out of business. I am not anxious about the larger ones; they are controlled by men of financial strength who can see their way to finance these companies as they go along. But I repeat that, unless you allow these smaller companies a fairly good reserve, many of them will go into bankruptcy after the war and they will blame it on this taxation. Of course, I know it is easy to make suggestions, but all my suggestions have been made in good faith and with a desire to get an equitable scheme of taxation. I think the minister and his experts might be able to devise some scheme whereby these smaller companies would be enabled to carry themselves through the readjustment period after the war.

Sir THOMAS WHITE: I appreciate very much the admirable spirit in which my hon. friend has approached the consideration of this question. My hon. friend realizes that in any scheme of taxation that can be devised there will be anomalies when special cases are being dealt with. I had a very wide experience many years ago in connection with the Assessment Act of the province of Ontario, and I was struck particularly with the fact that from time to time special cases arose in which there appeared to be anomalies and even hardships, and yet it would appear impossible to draft a measure in which that does not occur.

I will now take up seriatim the points raised by my hon. friend. He speaks of this being a very heavy tax upon small companies. He will observe by the provisions of the Bill that it does not apply at all to companies unless the capital amounts to $50,000——

Mr. GRAHAM: That is a comparatively small amount.

Sir THOMAS WHITE: —unless in the case of companies engaged in the manufacture of munitions, or in furnishing war supplies. I gave very careful consideration to the aspect of it that my hon. friend has very properly in mind, but the figures are not at all large. Take the case of a $50,000 company earning, let us say, 11 per cent. In that case the tax would be one per cent upon $50,000, or $500. Now, take the case of a company with $100,000 of unimpaired capital earning 11 per cent. The tax is only one per cent, or $1,000. A company

with a capital of $100,000, if it makes 11 per cent, is surely able, for the limited period of this measure, to contribute $1,000 towards the war. Take the case of a company with an unimpaired capital of $1,000,000. If such a company made 11 per cent upon its capital it surely would not be a great hardship to ask it to contribute one per cent, or $10,000, towards the war. Therefore the amounts are not considerable.

Taking the comparison between joint stock companies and individuals, I have figures which I think will show that the spread, while it appears to be considerable, is, in reality, not of very great consequence. Take the case of a company with a capital of $100,000 and earning, let us say, 20 per cent, or $20,000, in an accounting period. The tax which that company would pay would be one-quarter of $13,000, or $3,250 a year. Take the case of a partnership with precisely the same capital, $100,000, and earning precisely the same rate, namely, 20 per cent, or $20,000. The tax which that company would pay would be one-quarter of $10,000, which is the excess over 10 per cent, or $2,500. Subtract the $2,500 in the case of a partnership from the $3,250 in the case of a joint stock company and you get a difference of only $750 in the case of a $100,000 joint stock company and a $100,000 partnership, each earning 20 per cent. Having regard to the great advantage to the joint stock company of limited liability, and to the other facts which have been adduced in argument here, I submit that $750 is not an unreasonable spread in the case of those two companies.

Needless to say, any Minister of Finance would like to avoid taxation; but it became apparent, not only to the Government, but to the Parliament and to the country, that in a time like this it is, to say the least, exceedingly desirable that we should pay as substantial a

11 p.m. part as we can of the principal of our war expenditure, especially when it is running into such large figures. And, further than that, as I have pointed out in previous discussions on the subject, I believe it to be indispensably necessary in the preservation of our country that we should show to the financial communities of the world that we are taking measures to meet the exceptional situation with which we are confronted, because it very much strengthens the hand of a minister and of a Government to be able, in issuing loans, to say to those who are to purchase the loans: The Dominion of Canada is facing the situation; it is imposing taxation; it is taking a part of the excess profits which have been earned on account of the war; it expects to raise a revenue of eight or ten or twelve million dollars per year from that taxation this year, and last year it imposed taxation which restored its revenue. Such action strengthens the hand of a minister and of a Government in selling its securities on the money markets of the world. This is a temporary measure, and the operative part of it comes to an end at the date mentioned in the Bill, that is to say, the 31st day of December, 1917. It is true that in the succeeding year there will be a payment in respect of the accounting period falling due during the year 1917, but the Bill is designed to last only three years, and it will not last longer than that.

Mr. LEMIEUX: Did not my hon. friend, when he was introducing this Bill, say that we might expect some further taxation later on?

Sir THOMAS WHITE: No, I did not. Further taxation is possible, but I do not consider it necessary now to make any announcement along that line. Something will undoubtedly depend on the duration of the war, which no one can foresee. If this war should be prolonged for two, three, or more years, we should have to take such measures as the public interest might require; but this measure is a temporary one. It was necessary that we should raise a substantial sum of money for the preservation of our credit and to enable us to pay a part of our war expenditure, and this seemed to us to be the most feasible and least expensive method of raising the money.

My hon. friend from Westmorland (Mr. Copp) declared himself, as I understood him, to be in favour of a tax upon those who had made profits from making munitions and he rather demurred from the idea of taxing any other portion of the community. If my hon. friend had considered the subject carefully, and especially if he had before him the information which we have in regard to the profits of those who are not engaged in the munition business or in the supplying of war material to Canada, Great Britain, or the Allies, I think he would not maintain that position. There are individuals, firms and companies in Canada which have made money directly out of the war; they have manufactured munitions; they have furnished supplies, and their profits might be deemed

to be direct; but is there any difference in principle between those who make money directly out of the war and those who make equally large profits indirectly out of the war? Let me give my hon. friend one or two examples. The outbreak of the war called for a great rise in the price of certain commodities. The effect of that was that business houses, which were dealing in those commodities, derived, through no action on their part whatsoever, enormous profits from the rise in price occasioned by the war. Is it unfair for us to say in cases of that kind: You made profits as a result of the war; we are not going to take them all from you; we are not going to take 50 per cent away from you; we are going to allow you 7 per cent, and, if you made over 7 per cent, we will take one-quarter, if you made 11 per cent, we will take one per cent; if you make 15 per cent, we will take two; if you made 19 per cent we will take three and leave you 16. Is there any great hardship in that? Take the rise in the price of wheat; take the rise in the prices of many commodities which I should not pause to mention. Very large sums have been made indirectly out of the war—directly, in a sense, but I use the word "indirectly" because they did not make it by manufacturing munitions or furnishing supplies. On what principle could I tax a company or a firm that was supplying clothing for the soldiers and had made 11 per cent or 15 per cent upon capital, and pass by companies engaged say in the milling business, or in other industries whose profits have been 20 per cent, 50 per cent, 75 per cent, or 100 per cent? What about shipping companies which have made very large profits by reason of the fact that there has been a shortage of tonnage, and that abnormally large rates have been realised upon cargoes? It is easy to say: confine this tax to those who have manufactured munitions or have furnished supplies. But when a responsible minister sits down to consider the question of taxation, he must have regard to the fact that he must be reasonably just in his measure. I do not see on what principle he can say: we will assess you because you have made some money directly, but pass by another who made larger profits indirectly. The measure must be just in its larger features, and we have sought to make it just. I am sure that this suggestion will appeal to the hon. member for Westmoreland, because I do not believe that he has realised as he should that phase of the situation and what is involved in it. Take transportation companies. If the business of transportation companies has been greatly increased by the war; if they have made large profits which they would not probably have otherwise made, why should they not contribute a fraction only of those profits? I think that the principle of the Bill is absolutely just, and I do not believe that it would have been just if we had passed over those who made abnormal profits indirectly. It would be unfair for me to say that every one who will pay under this legislation has made profits either directly or indirectly out of the war. There will be some cases in which the profits cannot be traced directly or indirectly to the war; yet they have been such that there is no hardship in imposing upon them the small tax involved.

The hon. member for South Renfrew mentioned the question of income taxation. In my Budget of a year ago last February I touched upon the income tax question, because I had given it consideration in connection with the Budget. I pointed out that the British North America Act permitted the Dominion to make use of any mode of taxation that means either direct taxation or indirect taxation. On the other hand, by the terms of the British North America Act, the provisions are limited to direct taxation, and I stated that unless it should become indispensably necessary in the public interest, I thought it would be wise, as the provinces were restricted to direct taxation, that we should not trespass upon their field. It is quite clear that under certain circumstances resort might be had to an income tax by the Dominion. I pointed out, however, that the income tax in the United States, at least upon individuals, had not resulted very satisfactorily. The cost of collection has been relatively very large indeed, and the result disappointing. I think that the income tax on individuals in the United States realized in the neighbourhood of 28 cents a head, or about $30,000,000. If we assume that our income tax on individuals would realise a proportionate amount, we should realize by income tax a gross amount of $2,500,000. But I do not believe that population is a fair basis of comparison. The United States has vast accumulated wealth, and I should think that with a population of 100,000,000 it is altogether probable that a more than proportionate amount would be realized from an income taxation measure in that

country than would be realized in a smaller community.

Mr. GRAHAM: It would depend somewhat upon the rate.

Sir THOMAS WHITE: I should point out that the provinces and municipalities do, for the most part, although there are some exceptions, levy an income tax. That is to say, the municipalities in some provinces levy an income tax under provincial authority for municipal purposes. In one of the provinces, or in some of them, the province itself levies a direct income tax. My hon. friend may be on sound ground in stating that the tendency will be for the provinces to resort more and more to income tax. Without pronouncing at all upon the policy of the Dominion Government with regard to the matter of income taxation—because it is not really before us at the present moment—there are some considerations that I should like to mention. I have given a good deal of thought to the question, not only in connection with Budget, but since I became minister I have reflected a good deal on modes of taxation. It must be borne in mind that this country is one of large area. It is as large as the continent of Europe; it is larger than the United States. As we have a sparse population in the administration of an income tax by the Dominion very heavy cost in proportion to the amount realized would be involved as compared with the cost of administration in the United States, where it is admittedly very high. It is, I think, a sound maxim or canon of taxation that, in considering a tax, regard should be had to the cost of collection. If the cost of collection is very high, it is a sound maxim of taxation that that form of taxation has an objectionable feature. Of course, the object of taxation is to get money for public needs, and if in the collection of money for public needs a very large percentage is necessarily absorbed by collection, the result is that the tax to that extent is imposed for the benefit of the collectors. I submit these considerations because I was much impressed by the speech of the hon. member for Halifax, in which he said that the time would come when a comprehensive system of taxation might be necessary in this country. I am throwing out these observations as showing some of the considerations that would have to be taken under review in considering the question of an income tax by the Dominion Government. I have adverted to the matter of cost, and at this time it would seem to me particularly inexpedient for the Dominion to embark on income taxation. An army of officials would be required in a country like Canada, because the work would have to be done thoroughly or should not be done at all. We should have to establish almost a new Civil Service. I do not desire to exaggerate the magnitude of the service, but it would be very large. We should have to have assessors and their clerks in practically every township, every county, every village, every town, and every city, for the purpose of levying the assessment; afterwards we should have to have machinery for revision and collection. I need not say that that would be a formidable undertaking.

These are some of the considerations which are involved in the question of an income tax. I do not consider it necessary to express any opinion as to whether or not in the future the Dominion would at any time resort to such a tax. I think it would be most inexpedient for me to pronounce any opinion upon that. My hon. friend referred to some smaller privately owned companies. I think that as a legislator of experience he will realize that even though there is some anomaly and some hardship —if such a term may be implied to a Bill which imposes such a moderate measure of taxation unless in case of excessive profits —there would be great difficulty in discriminating between joint stock companies. After all, a joint stock company is a joint stock company, and I do not see how we could treat one joint stock company differently from another. I think I have dealt with nearly all the points raised by my hon. friend from Renfrew (Mr. Graham), and I take the opportunity of again expressing my appreciation of the very fair view he has taken of this measure and his realization that there is room for difference of opinion.

Mr. McCREA: I think the principle of this taxation is all wrong. In my judgment it is imposing a penalty on thrift.

Mr. E. M. MACDONALD: Hear, hear.

Mr. McCREA: For instance, take a corporation or company who use judgment, energy and ambition, and handle their business economically, wisely and prudently, they are punished for doing so. I think it is a bad principle; it is against progress. Furthermore, I think you will find it will have a tendency to drive capital from this country that would otherwise come in and

invest. Immediately they realize that their capital will be taxed 25 per cent of their earnings, they will steer clear of it. I know of one or two firms that were seriously considering erecting plants in Quebec who are now hesitating. They say: This is the beginning of it and we do not know what the end will be. I think that will apply all over the country. The principle itself is wrong, and without any reflection whatever on the Minister of Finance, who comes to this House with a reputation as a clear-headed, clever financier, I think if he had used his own best judgment in working out a system of taxation, if he had not, perhaps, listened to the Minister of Elections, he would have succeeded better than he has done.

Mr. LALOR: I think it is the minister who is hit.

Mr. McCREA: He is perhaps willing to be hit. The Minister of Finance will find that the tax will not touch fifty per cent of the people who are well able to contributure their share of taxation, and who are willing to contribute. This Government are, I think, the most fortunate Government that ever held office in Canada, so far as taxation is concerned—remember, that is as far as I wish to go. Taxation of any kind is never welcome. It is never very much appreciated by the people of Canada. But at this particular time, I think the people of Canada realize that taxes have to be imposed, that they have got to pay taxes, and they are willing to pay them; but, they want to be taxed equally; they want this burden to be distributed so that it will bear equally and fairly on all parties. If that is done, I think there will be no complaint or grumbling about it. It is perhaps easier to make criticisms of this kind than to devise a scheme for obtaining that object. Nevertheless, it is, in my judgment, true that this taxation will not touch fifty per cent of the people who are willing and well able to pay their share of the burdens that have to be borne. I am glad it is only a temporary arrangement. I hope that our Finance Minister will not forget that, and that it will be done away with very soon.

Sir THOMAS WHITE: I am on record.

Mr. McCREA: It has not yet been explained how the tax is to be levied and collected. I should like to know what system of arriving at the taxation to be imposed will be employed. Will the returns or statements made up by large corporations and prepared by proper accountants, be accepted, or will the Government appoint officials to audit the books of the companies and make their own valuations? I anticipate some considerable trouble, which in some cases may be imgainary. For instance, a corporation makes a return to the Government of what they consider their net profits have been. Will the Government accept that, provided it looks reasonable and fair, or will they appoint a set of auditors and accountants to visit every man's plant and take stock and make their own estimate? If they do, I am afraid there will be very great suspicion that the corporations and companies that are favourable to the Government will get special favours, and that those on the other side will not. These are points and facts that I think the minister will be glad to explain to us.

Sir THOMAS WHITE: The matter of administration, of which my hon. friend has referred, might, I think, be more conveniently taken up when we reach section 11, which deals with that phase of the taxation. I shall be very glad indeed to deal with it then, if that will be acceptable to my hon. friend.

Mr. LOGGIE: When I was addressing the committee, the Finance Minister took issue with me as to the rate of taxation on an 11 per cent basis. Does he admit that I was correct in my statement that one company would pay $4 while the other company would pay only $1?

Sir THOMAS WHITE: I am afraid I did not quite follow my hon. friend. I have no desire to challenge his figures, except to say that I think if he will take an example say of the case of a one hundred thousand dollar company and a one hundred thousand dollar firm, and assume that they make 11 per cent or 15 per cent, and then work out the actual result under the Act, he will find that the difference is comparatively small.

Mr. LOGGIE: I have that actually worked out, and I wish to tell the minister and prove to him that what I say is absolutely true. The earnings of $100,000 at 11 per cent are $11,000. In the case of a partnership, there is 1 per cent over. One per cent of $100,000 is $1,000, and 25 per cent of that is $250. In the case of an incorporated company, $100,000 at 11 per cent is $11,000. There is 4 per cent over. On $100,000 that amounts to $4,000. Then 25 per cent of that is $1,000. Thus, in the

case of the incorporated company, the tax will be $1,000, and in the case of the partnership company the tax will be $250, so that the incorporated company pays $4 for $1 that the partnership company pays. I do not think that the illustration the minister gave us was a fair one. He gave the illustration of earnings 20 per cent. That is a most uncommon rate; it is uncommon in the Maritime Provinces to earn even 11 per cent. If we do that we consider ourselves mighty lucky. It is no use to bring up an illustration of 20 per cent. When the percentage is less than 11, a company would pay $750 and the partnership would pay nothing. If they earn 9 per cent, the tax would still be very heavy in the one case as compared with that imposed on the other; I think it would be $500 against nothing. If they earned 1 per cent less, that would mean $250 against nothing paid by the partnership. On the basis of 11 per cent, a company would pay $4 for every $1 that the individual or partnership would pay.

Sir THOMAS WHITE: My hon. friend is a good mathematician, but I am afraid he has not considered how little that really means. He is dealing with a company that has $100,000 of capital, and with an individual or firm or partnership that has $100,000 of capital. That is a fairly substantial capital, but in the case he has given, there would be a difference of only $750. A company with $100,000 capital pays only $750 in the case he has instanced more than the individual or partnership. That is only $7.50 per $1,000 of capital. That is all that this tax penalizes, so to speak, a joint stock company with its privilege of limited liability as compared with an individual or firm or partnership. I do not think that that is a very serious matter at a time like this in a tax which, as I have stated, is for a limited period.

Mr. LOGGIE: The minister tries to get away from the point by saying that the amount is not very large. That is not the question at issue. The question is, why should there be a spread of 3 per cent. Suppose the capital is $500,000; then the payment by an incorporated company will be $5,000, as compared with $1,250 in the case of a partnership. In three years that would amount to $15,000, as against $3,750, an amount sufficient to buy a store in a town of 5,000 or 6,000 inhabitants.

Mr. LALOR: I am almost beginning to feel that I am on the wrong side of the House. The champions of the manufacturers and joint stock companies are our friends opposite. My experience in the House, spread over a good many years, does not bear that out. I find my hon. friend from Sherbrooke (Mr. McCrea) taking the view that the manufacturers and joint stock companies are taxed too heavily. I agree that they are taxed pretty heavily. Then there is my hon. friend from Northumberland (Mr. Loggie) I am quite surprised to hear him take up the attitude he has adopted to-night, because he has always taken the ground that the manufacturers and the joint stock companies were the people who were extorting too much money from the people, in fact, practically robbing them. I should have thought that he would have welcomed the taxing of these companies. It is quite encouraging to find hon. gentlemen opposite taking up this new position. The first thing we know will be that they will say there is not enough protection, and that there should be more. There is one thing that strikes me in connection with this Bill. It seems to me that in place of the limit being fixed at $50,000 it should be $40,000. In the province of Ontario a tax is imposed on joint stock companies with a capital of over $40,000, and the result is that a great many companies are incorporated with a capital of $40,000. I think that very few are incorporated with a capital of $50,000.

Mr. GRAHAM: It is the same way in other provinces; the limit is $50,000, and many of them are incorporated with a capital of $49,000.

Mr. LALOR: The companies incorporated with a capital of $40,000 might escape altogether.

Mr. NICKLE: In so far as I understand taxation, there are only three methods that can be adopted. One is to tax expenditure, the second property, and the third income. If I remember rightly, the Minister of Finance, in his Budget speech of last year, made a raise all through the tariff, and it was bitterly attacked by hon. gentlemen opposite. Certainly that was a tax on expenditure, because the money raised is on the expenditure of the people, on their imports into this country. The second method of taxation is to tax property. That is a form of taxation which was adopted by the province of Ontario last year in levying a rate of one mill on the dollar on property in the province. I remember the drastic criticism to which the Ontario Government

was subjected. The critics said that it was not fair, because the assessment throughout the province was not equal, that the assessment in the cities was higher in relation to value than the assessment in the counties, and that if the Government wanted to adopt such a system of taxation they should equalize the assessments, equalize land values and business taxes throughout the province. Hon. members understand how great a work that would be. Then we come to the Finance Minister's proposition this year. Certainly it is an income tax, but it is an income tax on those who are able to pay, upon the men who have made money, directly or indirectly, through this war. In my judgment, it will commend itself to the people of this country, as it certainly commends itself to me. If I believe in taxation at all, and we must believe in taxation, the man who can pay is the man who should pay at a time like this. I believe that it is the man who is wealthy who should contribute to the maintenance of this war, and I am certain that that is the sentiment of the people at large. I am not going to express any opinion as to whether or not it might be necessary ultimately to establish an income tax on a Dominion basis. Perhaps that time may come, and if it does come, I hope the Minister of Finance will consider carefully the entire scheme, because an income tax is not the simple thing that some people would have us believe. You have to take into consideration the difference in the tax paying power of single men as compared with married men; the capacity of the man with a family to pay as compared with the capacity of the man who has no family, and the question of how great an exemption should be given to the man in the city as compared with the man in the country. All these things cannot be worked out in a minute. I think the Minister of Finance has met the opinion of the country at large in bringing down his measure of taxation, and if it should be necessary at a future time to bring down an income tax, I am satisfied that the people have confidence that he will bring down a well-devised scheme.

Mr. MACDONALD: Has the minister decided to make any further changes in the Bill affecting the mining industry?

Sir THOMAS WHITE: I amended it to provide that the minister will determine the profits. It occurs to me that that would meet the situation. I have not in mind any further amendments to propose, but I need not say that if my hon. friend has any views respecting the matter, I shall be very glad to hear them.

Mr. LEMIEUX: Does not the hon. gentleman think that the same principle might apply as regards land? I was speaking a moment ago of land syndicates which come under this taxation measure. Land will also be exhausted. An incorporated company is dealing in land, as the land is being sold by lots it becomes exhausted, and, therefore, it seems to me that the same principle should apply to that corporation as to the mining corporation. Am I to understand that the same principle applies?

Sir THOMAS WHITE: A proper statement of a land, mining or any other company, would show net profits, and whether the capital was being exhausted or not.

Mr. LEMIEUX: What about timber limits?

Sir THOMAS WHITE: The same principle would apply to timber companies, oil companies, companies holding leasehold properties or any properties in which waste, depreciation or exhaustion of capital is taking place. A proper balance sheet can be made of any business, and it is only a question of ascertaining the facts and using good judgment in regard to them to reach a correct conclusion.

Mr. A. K. MACLEAN: I think there are two very good reasons why the committee should rise now. In the first place the minister has been on his feet the whole day and must be tired, and, in the second place, it is not important if this section is not now passed, because its adoption does not expedite the passage of the resolution, and I think it is desirable that we should have a fuller house, because then the points raised will not have to be repeated.

Sir THOMAS WHITE: I am entirely agreeable to the suggestion of my hon. friend. It is an important clause, but since the committee wishes that it shall stand over till to-morrow, I am quite prepared to agree. I therefore beg to move that the committee rise, report progress, and ask leave to sit again.

Mr. GRAHAM: It wil not impede the passage of the resolution one iota. We would not be any further forward if we passed the item.

Mr. McCREA: I have a word to say by way of suggestion. I think there should be some limit in the case of a partnership. It

the capital invested in a partnership reaches a certain limit the partnership should be put upon the same basis as a corporation. The biggest industry you have in the city is owned by one individual. Is it fair that that industry should be allowed 10 per cent profit on its capital before being taxed as against some of its neighbours, who are probably a good deal harder up and have a smaller investment? I make this suggestion because I may not be here to-morrow and I think it is one that may be worth considering. My suggestion is that if the investment of a partnership reaches a certain stage, say $300,000, it should be placed on absolutely the same basis as a corporation.

Progress reported.

On motion of Sir Thomas White the House adjourned at 11.45 p.m.

Friday, March 17, 1916.

The House met at Three o'clock, the Speaker in the Chair.

DOMINION LOAN—$75,000,000.

Sir THOMAS WHITE moved second reading of Bill No. 60, to authorize the raising, by way of loan, of certain sums of money for the public service.

Sir WILFRID LAURIER: The Bill is not printed.

Sir THOMAS WHITE: I understand that the Bill is not printed. I would ask my right hon. friend to be good enough to facilitate the passing of the Bill. It is founded on the resolutions which were adopted yesterday respecting the raising of $75,000,000 by way of loan. The Bill will be printed by Monday, and I should be glad to have the second and third readings facilitated. The matter is of importance in connection with negotiations now being conducted.

Sir WILFRID LAURIER: Upon the statement of my hon. friend that the matter is urgent and important, I would not raise any objection; but I cannot see, without a more detailed explanation, why it is so urgent. Do I understand that my hon. friend wants to have it at once assented to?

Sir THOMAS WHITE: What I desire is that the Bill should receive its second and third readings and go to the Senate next week.

[Mr. McCrea.]

Sir WILFRID LAURIER: To be immediately assented to?

Sir THOMAS WHITE: To be assented to in the near future. My right hon. friend is aware, as I stated yesterday, that we have been negotiating in New York for the raising of a loan; and it is necessary that this legislation be passed before the issue can be made.

Sir ROBERT BORDEN: We could hardly have the second reading without the Bill being printed.

Sir THOMAS WHITE: Then I shall withdraw my motion.

Motion withdrawn.

TAXATION OF PROFITS.

The House in Committee of Ways and Means on the proposed resolution of Sir Thomas White (Minister of Finance) respecting the taxation of excess profits; Mr. Rhodes in the Chair.

Paragraph 2, 1st sub-paragraph, agreed to.

On paragraph 2, proviso "a":

Provided however—
(a) that the amount paid or payable by any person under the provisions of part one of the Special War Revenue Act, 1915, shall be deducted from the amount which such person would otherwise be liable to pay, and the minister shall have power to determine any questions that may arise in consequence of any difference in the several periods for which the taxes under the said Act and those proposed herein are payable.

Mr. MACDONALD: This is the enacting clause of the resolution, and it seems to be the proper clause upon which to hold any general discussion of the resolution. In view of the fact that last night, before the committee rose, the minister, on being interrogated, intimated that he would consider any suggestions that might be made, I should like to point out the effect of the imposition of this tax upon every person connected with mining or kindred industries, where the enterprise involves the development of natural resources, and where the development cannot take place except by the employment of capital. The situation has been this.

During the past autumn, throughout Canada generally, there were a great many propositions promoted and on the verge of being capitalized through the assistance of foreign capital, and this legislation will seriously interfere with the consummation of any such capitalization. Indeed, the an-

nouncement which my hon. friend the minister made in his Budget speech about a month ago has had the effect of absolutely discouraging any attempt to promote industries of that kind. When a person with a proposition, no matter how good, goes abroad with the idea of obtaining the capital necessary for development, the possible investor inquires whether or not this is one of the companies which would be affected by the Budget of the Government. The person interested would be bound to tell the possible investor that it was one of those companies. It is well that persons should invest with the view of developing coal, silver, nickel, gold or other minerals. The person who invests in an enterprise of that kind, particularly at this stage of the world's history, does so with the hope of making some special profit. He takes bigger chances than are taken in the ordinary financial or industrial company. These deal with settled conditions. Business may vary or fluctuate; dividends may be small or great, but there is always a certain basis on which to proceed. It is the same with an industrial enterprise formed for the purpose of producing some special article used in the country. The production of the article is necessary to meet the needs of the people, and the person who invests in that industry knows that the question of receiving dividends depends upon his being able to produce the article as a saleable commodity, and that the price of the article will furnish him with a reasonable profit. But when a man goes into the mining industry, the conditions are entirely different. There may, or may not, be a large quantity of ore; all that has to be taken into consideration by the person who invests. To a very large degree the investment of capital in the mining industry is a gamble. If my hon. friend is going to throw into the melting pot these propositions, he will create a further menace which will intimate to the outside capitalist that the utmost he can get from his investment, after taking all chances, is 7 per cent, before the Government intervenes to take part of the profit. The minister will see that he is menacing the development of that industry everywhere. In addition to that, the party who is looking for capital is not in a position to assure the possible investor that the Government may not, at a subsequent session, proceed to levy upon that class of industry to a greater degree. The minister may say, as he said last night, that this tax is going to last for only two years. My hon. friend is not taking into consideration, it seems to me, the very serious financial position which Canada is in as a whole when he invites us to believe that this or that or the other tax is going to stop at the end of two years. The question of where taxation is going to end in this country, under our existing financial conditions, is a matter whch my hon. friend cannot determine, and he does well to put in a saving clause in regard to the future. The consequence is that the party looking for investment in a mining proposition cannot give any assurance that the tax will not be increased in the future, or that the percentage which is now taken is to be the limit.

For a moment, I might refer to that situation. It is all very well to be optimistic and to say that Canada will be in this or that position. There is no sign of the war ending. We do not know, even in this House, all the commitments that we are making. We have not the information that we ought to have as to just how much this war is costing us to-day, or how much it has cost us since the last data was furnished to the House. Without that information we are in the dark. The extent of the obligations which we may assume in the future is absolutely problematical and impossible to estimate. It seems to me that this House ought to have that information before taxation Bills and loan Bills are passed. I mention that incidentally to the point which I desire to make, that the party going to look for capital for a mining proposition cannot give assurances of any definite character that the percentage of profit, to be taken from the man whose investment he desires, will be limited to that now proposed. That being so, the effect in regard to that particular industry is that it will be impossible for any one who has a mining proposition in this country to exploit it by obtaining the necessary capital for its development.

My hon. friend has gone so far as to put in an additional clause in the Bill which means that in determining the amount to be paid by a mining proposition the extent of the exhaustion of the ore in the ground will be taken into consideration. That is only so far so good. It minimizes the situation, but to a very infinitesimal degree. Mining is a natural industry in this country, quite as much so as agriculture. We all hope and believe that, particularly in the far northern country, there is an illimitable store of minerals, the development of which will mean a tremendous expenditure for

supplies and the increased prosperity of the country at large. This industry stands apart, as I have said, from the ordinary industrial and financial industries. It requires special consideration. I submit that the minister's proposal menaces the future of this industry, and that the slight amendment which he has made in no wise does away with the possibility of injury.

Sir THOMAS WHITE: I am really obliged to my hon. friend from Pictou for bringing up this matter for discussion. I need not say that I appreciate the benefit of his views upon any subject that may be under debate in this House. He has put forward his representations very temperately, and I propose to answer them as fully and frankly as I may be able. I think that my hon. friend and those connected with the mining industry, or I should rather say some of them, are unduly apprehensive as to the effect of this measure upon their industry. The Government is fully aware of the extreme importance of that industry in the national economy of Canada. It is one of the great natural industries, as my hon. friend has observed, and, certainly, the Government would be the last to take any step unless indispensably necessary in the national interest which might have the effect of in any way injuring the mining industry, or retarding the flow of capital into this country. I think I shall be able to show before I take my seat that there is no ground for apprehension on the part of the mining community. This tax is, as I stated last night, for a limited period. My hon. friend questions whether I was justified in making that statement. I certainly was justified in making that statement, because it represents the intentions of the Government.

Mr. MACDONALD: If you need money, what are you going to do?

Sir THOMAS WHITE: I am coming to that. My hon. friend says that the war may be prolonged for two or three years. For myself, I can scarcely see how that is possible. But it may be possible. But should the war be prolonged for the next two or three years, and the financial responsibility of the Government correspondingly increased, it would then, undoubtedly, be necessary to take such measures as might be expedient in the public interest to meet the situation which we should then be confronted with. That statement is in no way inconsistent with that which I made last evening, namely, that this particular measure is for a period only. The principle of the resolutions, it would appear to me, indicates that. The principle of the resolutions is in effect that those individuals, firms and companies, which since the outbreak of the war have been able to maintain a rate of profit beyond what we have fixed upon as a fair and normal pre-war standard, shall contribute a fraction of that excess for the purposes of the war. It is a fact with regard to many businesses in Canada that the largest profits resulting from the war, either directly or indirectly, have been made, during the 18 months since the outbreak of the war, by reason of the increase in the price of commodities, due to the demand which arose by reason of the outbreak of hostilities, and in supplying of munitions and other requirements in connection with the war itself. I do not mean to say that if the war goes on there will be a less demand for commodities and munitions, but I do not think that, as the country becomes better organized to meet the new conditions, the prices which obtained during the past 18 months will obtain in the future. Therefore, it would seem to me that I am perfectly justified in stating, as I do, on behalf of the Government, that this is a temporary tax. In making that statement, I largely meet the argument of my hon. friend that capital might be discouraged from embarking upon Canadian enterprise. It is hardly conceivable that an enterprise could be established within the next few months, and before the termination of this legislation, earn such large net profits that the moderate tax which we are taking from them would be a serious matter to the individual, firm, or company in question. Therefore, I do not believe, for myself, that when it is realized, as I believe it is now realized, that this is a temporary measure, the effect which my hon. friend anticipates will be produced, or will continue, if such an effect has already been produced.

My hon. friend has, I think, made a statement which, if made by a responsible minister of the Government, would do more to retard the flow of capital through this country than this Budget. But as he is not speaking on the authority of the Government, it will not have that effect. My hon. friend has clearly indicated the view that the war will probably be prolonged for a considerable period. As to that, I do not know that the information of any one is better than that of another. It is not for us to guess or speculate as to the

length of the war. I never believed that the war would be a short war, but, on the other hand, I do not believe that it can be unduly prolonged. It would seem to me that if the war should continue for a period of, let us say two or three years more, civilization would almost be destroyed, and the economic resources of the world would almost disappear. I believe that long before any such date, as my hon. friend has in his mind, the forces at work, making for the conclusion of this war, will be such that it will be concluded, and concluded on the terms we are contending for; because although the German nation has apparently been winning victories on land, it has really been losing the war. This war will be determined in the last analysis by superiority in resources, in men, in munitions, and in money.

Mr. MACDONALD: The Minister of Labour does not think we are going to win?

Sir THOMAS WHITE: I think he does; I know he does. I happen to know that the Minister of Labour is certain we will win. The Government is certain we are going to win; not only that, but we are going to leave no stone unturned to make certain that we shall win. That, among other reasons is my motive in bringing down this budget. I want those who can afford to pay, to pay. There is no one who will be taxed that cannot afford to pay, and I know of no one who is not willing to pay. In fact, I know the people are anxious to pay the tax imposed by this budget.

This measure, therefore, being a temporary measure, it is not conceivable to me, when it is understood, that it will have any effect in retarding the flow of capital towards this country. Let us assume for a moment, however, that it would; let us assume that my hon. friend is right, and that it would have some effect in retarding the flow of capital to this country. I ask this House, would that be a good reason for a Government refraining from taking any taxation action that it might deem indispensible towards the winning of this war. Suppose that at the time of the war between the North and the South, when the United States was torn in twain, it had been suggested for a moment that the proposals of the Secretary of the Treasury designed, and necessary, for the prosecution of the war by the North, would have the effect of retarding the flow of capital into the United States; would such a suggestion have been listened to seriously? In Canada to-day, does anyone consider seriously whether general business is going to be impaired or not? General business is of extreme importance. I yield to no man in my desire that the Government should carry on this war with a minimum of inconvenience to the business of the community. I desire that the war should be carried on, in so far as we can carry it on, with our full power, in such a way as to interfere in the least possible degree with the business activities of this country. I desire that on the grounds of business itself, but I desire it more strongly on the ground that, the more we can promote business, the greater the industrial and commercial activities of the country, the better will we be able to sustain the economic burden of the war. Therefore, in answer to my hon. friend I may say that while I do not believe that the effect of this legislation will be to retard the flow of capital to this country, I am bound to say that the first duty of this country is the conduct of the war, and that business considerations, while of great importance, are really secondary; and I believe the public in this country take that view. I believe that the public takes that view.

What is the object of this taxation? I have been talking, members of both sides of the House have been talking, and with the greatest sincerity, of the seriousness of this war, and there is no divided opinion as to the reality of the menace to the Empire and to Canada. We all have supreme confidence that the issue will be decided in our favour, but we have been alive to the peril, and, so far as I have been able to observe, hon. gentlemen on both sides of the House, my right hon. friend the Prime Minister and my right hon. friend the leader of the Opposition, hold the view that we must put forth the utmost efforts in order to bring about the results which we believe will be brought about, namely, ultimate and conclusive victory. We have been talking about liberty, civilization, and religion being in the crucible, and about the safety of Canada and the integrity of the Empire being menaced by this German peril. We believe that. We are so remote, fortunately in one sense, unfortunately in another, from the scene of the conflict that it is not possible for us, with all the imagination we possess, to visualise what is going on in Europe. You would not hear any

talk in the British House of Commons about a possible danger to business by reason of the imposition of needed taxation. You would not hear any talk of that kind in Germany or in France. How is business in Germany to-day? I need not ask the House as to that. How is business in France to-day? I need not ask the House as to that. The first business of Germany, the first business of France, is the war, and everything else is secondary. What has happened to the export business of Great Britain? Has it been affected by the withdrawal of operatives needed for the purpose of carrying on the war? Has it been affected by taking over factories engaged in manufacturing for export business for the manufacture of munitions? The first business of the United Kingdom, of Canada, of Astralia, of the Empire, is the war, and when I say that I take second place to no one in stating at the same time that we desire to do everything we can, that we shall omit nothing to promote the prosperity of business in this country, and that we appreciate to the full the desirability of taking no measures, not absolutely necessary in the nation's interest, that will have the effect of retarding the flow of capital into this country during and after the war.

But I believe I am on solid ground in saying that the war comes first. Now, the object of this taxation is to assist in the war, and it is for that reason that this Budget has met with acceptance all over this country. It is looked upon as a fair measure to assist the Government in meeting the needs arising out of the war. We are carrying on this war and it fills me with pride to think that this country, which eighteen months ago had practically no military establishment except a very worthy and gallant volunteer force has to-day under arms over 275,000 men. We are fighting for something in this war. We are fighting for the safety of the Empire and for the protection of Canada, or else we have been talking what we do not believe. I am of the opinion that we have been talking, all of us, on both sides of the House, what we do believe. We are fighting to protect Canada, to protect the industries of Canada, including among others the mining industry. I have talked with many mining men during the last few weeks and I desire to pay them the tribute of saying that they are willing, they are desirous, they are anxious to pay, and to pay large amounts towards the conduct of this war. Nothing has impressed me more than the attitude of two or three American gentlemen engaged in the mining business in this country. They said: You are asking for one-quarter of one per cent over 7 per cent; if you want more ask for it and we will give it to you.

Mr. MACDONALD: What company was that?

Sir THOMAS WHITE: I will give my hon. friend the names privately. These gentlemen would not like to have their names mentioned in the House. My hon. friend is apprehensive about the mining industry. I think he has totally miscalculated the effect of the Bill upon that industry. The principle of the taxation is this: If net profits have been made, in the case of companies, including mining companies, in excess of 7 per cent, we take one-quarter of the excess and one-quarter only. Does my hon. friend know that, excluding nickel companies, only twenty-four mining companies in the whole Dominion paid dividends last year? My authority is the Canadian Mining Journal.

Sir WILFRID LAURIER: They are not very prosperous, then.

Sir THOMAS WHITE: The extraordinary thing is that some were exceedingly prosperous.

Sir WILFRID LAURIER: Only the twenty-four are prosperous.

Sir THOMAS WHITE: Others are engaged in the business, but they are not affected by this tax, and many of these are not affected by the tax. The point I am making is that the mining industry has nothing serious to apprehend from this tax. We are fighting for this country, we are fighting for every business in it, including mining. On what principle can I, or can the Government, leave out mining industries from the operation of this tax? On what principle can I tax a manufacturing company, a transportation company, a trading company and pass by the Hollinger mines worth $10,000,000, or $15,000,000 or $20,000,000 and earning up to $2,000,000 net profits? On what principle can I pass by the Nipissing mine earning $1,200,000 a year and worth brobably $5,000,000. How can I pass by copper companies in view of the fact that copper has doubled in price since the outbreak of the war? On what principle can I pass by the nickel companies which are making enormous sums out of the natural resources of the country? I appreciate to the full what the mining industry at Cobalt and Porcu-

pine means to the province of Ontario and I appreciate the importance of the mining industry to British Columbia, but the point I make is that the mining industry is not going to be injured materially by this legislation and I shall show my hon. friend from Pictou that he has misjudged the effect of the legislation upon these mining companies.

I do not believe there is a country in the world in which less revenue is derived from mining than Canada. Take the highly mineralized area in Northern Ontario, Cobalt and Porcupine and other mineralized areas; I was surprised to find the other day that the entire amount of revenue derived by the province of Ontario from its mineral areas was about $300,000. It cannot be said that in so far as Canada is concerned there is anything in the situation that would retard the flow of capital towards this country for the purpose of embarking in the mining industry. The Minister of Mines of British Columbia was here the other day and I inquired of him how much revenue they derived from the mines of British Columbia. He informed me that they got $150,000. I do not know of any country in the world in which such small amounts are taken from the mining industry by way of royalty and taxation as in Canada. I do not believe that the imposition of this moderate tax is going to have the effect, amongst a community as intelligent as the mining community of causing them to slacken their efforts in the development of that great natural resource. We go to the legislation of the United States; the United States is a great mineral country and yet there has been an income tax imposed not only upon the subsidiary mining companies but upon the holding companies. The maximum allowance made by the United States for exhaustion of capital is only five per cent. I think that is too small, and I shall deal with that phase a little later on. Take the nickel companies of Canada. The International Nickel Company, which has its refining plant in the United States and operates, I believe, through a subsidiary company at Sudbury, had earnings of nearly $10,000,000 for the nine months ended December 31, 1915. Now I do not believe that public opinion would sustain the Government in taxing all other industries in Canada and passing by these mining companies.

Mr. TURRIFF: Was it the International Nickel Company or the Canada Copper Company that earned the $10,000,000?

Sir THOMAS WHITE: The International Nickel Company. I mentioned the subsidiary company at Sudbury, which is called, I believe, the Canada Copper Company. I give that as an illustration of the large earnings of these mining companies, and I am going to show later that the amount we shall take from these mining companies is so small that it will have no appreciable effect on the mining industry at all. Only comparatively few mining companies in Canada are subject to the tax, and they will contribute very much less than my hon. friend has in view. The mining companies desire to contribute. Some of them would rather that the tax was on a basis so that they would not have to contribute so much; that is no doubt very natural. I hear there are also a few, but very few, who would rather not pay anything at all. But we should not be justified in acceding to their request and exempting them from the operation of this tax, provided of course that they made large profits. I can say this: that those in the mining industry who do not desire to pay are decidedly in the minority; the great majority do want to pay; they recognize it as just that they should pay, and among these I am happy to say are the Americans.

Let us for a moment consider the principle of the application of this measure to the mining industry. I admit that it is more difficult to apply a measure of this kind to mining companies than to manufacturing, industrial or commercial business. The reason is that mining, as my hon. friend from Pictou has pointed out, is a calling in which there are many disappointments, and in which abnormal profits must be looked for. I think that is generally admitted. A man who might be quite content with seven per cent in a manufacturing business would not invest in a mining company upon the basis of a seven per cent return on his investment. It must be borne in mind that a man who speaks of getting say twenty per cent in a mining company, especially a company that is operating metalliferous mines, knows that in that twenty per cent there is a large return of his capital each year. That is among the reasons why, in mining, a larger return is required than in the case of an ordinary commercial or indus-

trial enterprise. The same remark would apply to other businesses—I do not say that twenty per cent would apply—in which the capital invested is depleted from year to year. The resolution I have brought down relates net profits to capital. I would call the attention of my hon. friend from Pictou to the fact that in the resolution originally brought down we used the term "net profits." I may say that mining had not escaped our attention, and for this reason, among others: We had examined carefully the American income tax legislation, in which provision is made for an allowance for exhaustion or depletion of capital not to exceed five per cent of the gross output in any one year. It did not appear to us that we should place a limit of that kind upon the amount that we should allow for exhaustion of capital. There are some mines whose average life is eight or ten years. I am speaking of metalliferous mines. Then other mines, such as coal mines, last for generations, and the same considerations,except in a general way, do not apply; that is to say, the percentage of exhaustion in a coal mine in a particular year is not so great as the amount of exhaustion in connection with metalliferous mines such as gold, silver and copper mines. We therefore deemed it improper to place any limit on the percentage which we should allow for exhaustion of the capital of a mine. In the administration of this Act it may be necessary for us in some cases to say we shall allow ten, twelve or thirteen per cent; and in other cases five, or two per cent. It all depends upon the character of the mine with which we are dealing. The hon. member for Pictou will, I am sure, concede that if we tax what are known as profits and distributed to shareholders, say under the mining laws of the province of Ontario, but which are really not net profits, and deduct from those profits a proper amount, as we should be entitled to do under the provisions of this Act, for depreciation of plant and machinery, and for exhaustion, in the case of some mines, to the extent of ten, twelve or more per cent of the value of the mine, they take on a very different complexion from what are ordinarily understood as profits in the payment of dividends to shareholders in mining companies. The result of dealing with the profits of mining companies in that way—and it is a proper way to deal with them—will be to make the net profits appear to be much smaller than the apparent profits which are published from time to time. So much for that phase. I have not considered it necessary to place any limit in the Act, because I think in its administration the judgment of the officials should be left unfettered, although, of course, they will have to act on some principle which will be fair to all. I do not, however, consider it necessary to fix in the Bill a limit of percentage to be allowed for the exhaustion of mines. I have dealt with the matter of net profits, and it does seem to me that in dealing with them in that way we are placing the mining industry on a parity with all other industries.

Now we come to another question, which I am sure my hon. friend from Pictou has given attention to: the question of capital, of reserve, rest and accumulated profits. My hon. friend will observe, by an amendment I shall make to the resolution, that "may" will become "shall."

Mr. MACDONALD: In all companies?

Sir THOMAS WHITE: I had great difficulty, I confess, in reaching a conclusion upon that point. I derived substantial advantage in reaching my conclusion from the discussion in this House. I have no small vanities which would make me disclaim the advantages received from a discussion in a House such as this. A minister brings down a comprehensive measure of taxation. He knows that it is more or less rough-hewn, and that he will obtain much more information after he brings it down than he had when it was drafted. As long as the principle of a Bill is correct, inequalities can be corrected in this House, and a minister must be prepared to act in the light of information that he may receive from hon. members. I would call the attention of my hon. friend from Pictou to the fact that, in estimating capital we shall have regard, not only to capital stock, but to rest, reserve, and accumulated profits. These will all be embraced under capital.

My hon. friend from Pictou is a lawyer, and I desire to make this statement to him. If we had proceeded absolutely logically we should have said: We will take the value of all the assets, real and personal, movable and immovable, of every company, firm and individual in Canada, and subtract the liabilities from the assets and the difference will be the capital. I need not, however, tell the House that that would be a Herculean task for the officials charged with the administration of this measure. In the case of most companies the capital, reserve, and accumulated profits are accurately stated in their reports, and one

would feel perfectly safe in taking their statement where the capital stock has been paid in full: capital, so much; reserve and accumulated profits, so much, representing premium on the price of stock sold to shareholders, or profits which have been taken into reserve, or contingent fund, or allowed to remain in profit and loss account. So in the case of an ordinary company for the sake of taxation, you have your capital, your reserve or rest account, and your accumulated profits, substantially representing the capital of the company invested in that business.

Mr. MACDONALD: The gross capital?

Sir THOMAS WHITE: No, the net.

Mr. MACDONALD: What about the liabilities?

Sir THOMAS WHITE: I think I am right. I am speaking of capital, reserve and accumulated profits only; I am not speaking of the total assets. I say that that substantially represents the capital of that company. Just as an individual has invested in a business $100,000 which would represent the value of its assets less its liabilities, so, in determining what the capital of a company logically is, you would say: What is the value of its assets and what are its liabilities? You would then deduct the liabilities from the assets and in that way get the capital. If the business of a company has been conducted properly, if the stock has been all paid in cash, you will find that that will correspond with capital stock, rest, reserve and accumulated profits.

Mining companies present difficulties in ascertaining the capital invested in them, because there is no necessary connection between the nominal capital of a mining company and its real capital, which is the value of its mines. Therefore, you will find these anomalies. You will find a company incorporated some years ago, say, with a capital of $250,000 or $500,000, and you will find that the property to-day may be worth $5,000,000; that a holding company has probably been created, holding the stock in the original company, now the subsidiary company of the holding company, and that the dividends are being paid, say, at the rate of 15 or 20 per cent upon a capital of $5,000,000. Now, this taxation will apply, of course, to the underlying company; but it will be necessary, in order to be perfectly fair to the mining industry, that in considering what its capital is, under the provisions of this Bill, you have regard to the amount of its fully paid up capital and to the values of its reserves, rest and accumulated property, the three together, as I have stated, representing substantially the value of the mine. In my opinion, that is absolutely fair and just, and it is the principle that would be applied to financial institutions, private individuals and firms in business. The first question is: What is the true amount of your capital? The second is: What is the true amount of your net profits? Now, relate your net profits to the true amount of your capital and you will easily be able to make the calculations called for in this measure. Therefore, I think, in view of the statement I have made, that the apprehensions of those engaged in the mining industry that this tax is going to be oppressive, will be allayed, if not entirely removed, because, on the one hand, the so-called profits are cut down to a net basis, and on the other hand, the capital, reserve and accumulated profits are deemed to be the value of the property, less the liabilities, of course, that is, the true capital invested in the enterprise.

4 p.m.

I do not, at the moment, desire to say anything further than this, that, if these resolutions and the Bill which I shall introduce later should meet, as I believe they will, with the approval of this House, it will be our object to administer this legislation, while strictly, in accordance with the legislation, with good judgment and with scrupulous fairness to all parties concerned. The administration will be under the Department of Finance, the tradition of which I believe has been good, and I certainly desire to pass it on unimpaired. It has been suggested here that political considerations might enter into the administration of this measure. I do not believe that that view is shared in by a majority of the members of this House, nor that it is shared in by hon. gentlemen opposite. We are bringing in an exceptional measure under exceptional conditions, and the House realizes the fact that this is a Bill that under normal conditions would not be brought down. I am sure hon. members will have confidence that this measure will be administered fairly and justly to all parties concerned, and most certainly without regard to political considerations in order that the end may be accomplished that we have in view in introducing this measure, namely, that we may raise a substantial amount of revenue to cover our expenditures in connection with the war.

Perhaps I have spoken longer than a minister should in committee; but the hon. member for Pictou, I know, is sincerely interested in this matter; he has a wide interest in mines; he is sympathetic to the mining industry; he is well informed; he has put forward his views; he has raised questions; he has made representations, and I have thought that his desire was that I should deal with this matter, so that those engaged in the mining industry may be reassured as to certain matters about which they have been in doubt, namely as to what net profits mean and as to what capital means in connection with their industry.

There is another thing. My hon. friend has touched upon the question of the certainty of a tax. It is a good principle in taxation that those who are liable to pay a tax should be able, within reasonable bounds, to ascertain what the tax will mean, because in many cases, they make their future arrangements accordingly. Now, this Bill should be through this House in the course of the next couple of weeks—at least I am hoping it will—and once it becomes law, there will be no difficulty whatever, because the legislation will begin to operate at once, if any mining company is desirous of ascertaining what its taxation will be, in making their return and having the officials of the department check it over and make an assessment upon it. I think we should be able to begin making our assessment in May. Returns will be called for in May or June, or, if any are unduly apprehensive about the amount they will have to pay, they can easily ascertain substantially what it will amount to.

Again I thank my hon. friend from Pictou for giving me an opportunity to make this statement.

Mr. TURRIFF: If I criticise some of the points in this Bill, I want it distinctly understood that I am not in any way opposing the taxation of corporations. I do not believe that any hon. member on this side objects to the taxation of corporations, but we criticise the inequality of the taxation. Under this Bill, one man is taxed, while two or three others who should be equally liable are not reached at all. Suppose a man has $100,000 invested in a mercanatile business, he is taxed; but his next door neighbour has $500,000 invested in some other way, and no attempt is made to take a dollar from him. If a man has his money invested in bonds, securities, or real estate, from which he derives a big income, the Minister of Finance does not make the slightest attempt to get at him. And that is the reason why this Bill, in my judgment, when it comes to be understood, will not be popular.

Sir THOMAS WHITE: My hon. friend understands, of course, that this tax applies only to companies making over seven per cent profit; it is a tax, not upon capital, but upon profits beyond a certain amount. I explained that last night.

Mr. TURRIFF: I understand that perfectly. But what I object to is that the man who has millions invested, and is making more than seven per cent on his investment—

Sir THOMAS WHITE: Do they make that?

Mr. TURRIFF: If he is not making more than seven per cent, he is making far more in amount than the man with $250,000 in a commercial business that may be making over seven per cent; yet he is not called upon to pay a single dollar. I was not here last night, but I understand that the objection offered by the Minister of Finance to an income tax was the difficulty of collecting it, and the fact that many would escape. To my mind, it would not be a bit more difficult to collect an income tax than it will be to collect the tax imposed under this Bill. This will be an expensive matter, and you will only get at a certain small proportion of the community, whereas, if the tax were evenly distributed over the wealth of the country, and every man who has wealth, who has an income, were called upon to pay, the tax would not fall so heavily upon our industries.

The Minister of Finance has just spoken about the capitalization of mines. I am not sure that I clearly understood what he said. Suppose that a mining company, organized a few years ago, has a paid-up capital of $250,000. They bought a property for $100,000 and spent $150,000 in plant and in carrying on the business. Between that time and the time when this tax comes into effect they make a fine discovery of ore, so that the mine, instead of being worth $100,000, is worth $1,000,000. In that case, is that $1,000,000 capital, or is it not?

Sir THOMAS WHITE: Assuming that $1,000,000 is a proper valuation in the opinion of experts, then I should say the true position of that company would be this:

Its capital is $250,000, and its reserve, rest, and accumulated profits make up the balance. Its capital, for the purposes of this Act, would be $1,000,000.

Mr. TURRIFF: That is what I was not clear about. Now, the Minister of Finance discussed the nickel companies, and spoke of the readiness of the American owners of mines to pay their share of these taxes. Will he say that the International Nickel Company will pay taxes under this legislation? For my part, I do not see how it is possible for the minister to tax that company. He may tax their subsidiary company, the Canada Copper Company. The minister has just stated that these companies are making vast sums of money, the price of copper having doubled. But the minister will find himself practically up against a stone wall in the case of the Canada Copper Company, for that is a subsidiary company. It does not sell ore, nor does it sell the finished nickel. It roasts and smelts the ore at Copper Cliff, near Sudbury, and turns out a matte which is shipped to the International Nickel Company. It does not make the slightest difference to the Canada Copper Company what it charges for the matte. Our nickel goes into the United States and is refined in New Jersey, and the company is making millions. The Solicitor General (Mr. Meighen) said the other night that it was making $5,000,000, but the Minister of Finance said that a subsidiary company was making $10,000,000.

Sir THOMAS WHITE: No, the main company.

Mr. TURRIFF: Then that makes it very clear. The Minister of Finance says they make $10,000,000, and the Solicitor General the other day said they made $5,000,000.

Mr. HANNA: That was last year.

Mr. TURRIFF: They were talking within a week of each other.

Sir THOMAS WHITE: I read from the Canadian Mining Journal:

> The International Nickel Company, in the three months ended December 31, 1913, earned some $3,423,246; and in the nine months ended December 31, 1915, earned $9,741,828.

—We have not the figures for last year.

Mr. TURRIFF: I would recommend my hon. friend to give that information to his colleague, the Solicitor General, who, in order to turn an argument, stated that their profits were $5,000,000. But the point I want to make is that my hon. friend is not able to tax the International Nickel Company; he cannot possibly tax them. While our own people have to pay the tax, these gentlemen, living across the line, who take our ore over there, refine it over there, keep 2,000 men at work all the year round, and have all their big-salaried men in the state of New Jersey, cannot be taxed one dollar under this legislation. My hon. friend will not make any attempt to tax them, simply because he cannot do it under this legislation. Then there is their subsidiary company, the Canada Copper Company. Copper has gone up, as my hon. friend has stated, to double the price it was a short time ago. Nickel has gone up, in spite of all the Solicitor General has said, to practically double the price it was two years ago. Allied nations in Europe are offering almost fifty cents a pound for nickel, and are willing to make long contracts for it. The price of nickel is practically double what it was before the war. You cannot get at the profits of the Canada Copper Company to tax them to any extent, simply because they are only a subsidiary company, and it does not make any difference to the shareholders whether they sell their matte for five cents a pound or for fifteen cents a pound—the profits are made on the American end.

Sir THOMAS WHITE: I do not at all agree with my hon. friend's conclusion. I think the Bill has a provision that will meet the case in point.

Mr. TURRIFF: I hope that is the case. If we can tax the International Nickel Company, I shall be very much pleased, because if there is any one institution in this country that ought to pay a tax of this kind, it is that particular company, who take our ore out of Canada to the United States, refine it there, sell it to our opponents—not directly, but indirectly—scatter it all over the world, and make huge profits. If my hon. friend can so word his Bill as to tax a company organized in the United States, operating in the United States, whose dividends are distributed in the United States, I shall be most delighted to hear it. But it seems to me he will have quite a contract on his hands to collect the tax from the gentlemen who are now so anxious to say that they want to pay a share of it. I venture to say a good many of them are saying that with the knowledge that they cannot be taxed. At all

events, if they can be taxed it will be a very good thing.

My hon. friend states that this is a war tax. I hope that it is a war tax, and that every dollar of it that will be collected will go to the war funds. But we have to take that statement with a little grain of salt; because my hon. friend last year told us that the direct taxes he then imposed were war taxes. My hon. friend said that the extra cent imposed on letters and post cards was for war purposes, and that every time a man, woman, or child in Canada bought 10 cents worth of stamps during the past year the additional revenue went to the war fund. But what was the result? From what I have heard in the House during this session, the Post Office Department stole it all from the Government.

Sir THOMAS WHITE: That is not true.

Mr. TURRIFF: They did not turn it over to the Government; they kept it.

Sir THOMAS WHITE: They did not.

Mr. TURRIFF: Will my hon. friend say that the Government got, for war purposes, all the extra revenue from the sale of those stamps?

Sir THOMAS WHITE: The entire revenue of the Post Office Department, like that of all other departments of the Dominion, finds its way into consolidated revenue fund; and every dollar of taxation that was collected last year, either by indirect or by direct taxation, was used for the purposes of the war, as well as a very large additional sum.

Mr. TURRIFF: That is no information. I am quite certain that large sums other than those collected as revenue were used for the war. But the extra expenses of the Post Office Department have more than eaten up the extra revenue from the sale of postage stamps.

Sir THOMAS WHITE: Supposing that the extra postal taxation had not been imposed, would the additional expenditure of the Post Office Department not have had to be paid out of consolidated revenue fund?

Mr. TURRIFF: Well, yes. If that had been the case, the deficit would have been double what it is; that is the only difference. The deficit in the Post Office Department, I understand, will be something like $3,000,000 this year. If my hon. friend had not passed this measure last year, exacting an extra 50 per cent postage, the deficit in the Post Office Department would have been about $6,000,000.

Sir THOMAS WHITE: Would it not have had to be paid out of consolidated revenue fund? Of course, it would.

Mr. TURRIFF: If it had not been for the extra revenue from the sale of postage stamps, my hon. friend the Postmaster General would not have been so extravagant. There was absolutely no necessity of expending all the money that was expended. While on that subject, I want to say that if this Government would use the slightest economy, if they would economise in any degree at all, one-half the revenue which my hon. friend proposes to raise at the present time would not be necessary at all.

Mr. HENDERSON: Oh, oh.

Mr. TURRIFF: My hon. friend from Halton laughs, but why should it be necessary this year to spend 50 per cent more in running the country than was expended 4 or 5 years ago? Why should it be necessary? We were not at war at that time, we had a buoyant revenue, and there might have been some excuse for large expenditures; but to-day, when we have the greatest war of history on our hands, when we are called upon to provide tens of millions of dollars every year for interest, and when the ordinary revenue has fallen very materially owing to the influence of the war, the Minister of Finance claps on full sail and goes ahead; he does not try to economise in the slightest degree, judging by the amounts he is asking for at this present session. What is wanted is not so much this tax Bill as some little economy on the part of the Government; if they would economize to any reasonable degree at all, it would not be necessary to have all this direct taxation. If we have got to have more revenue, I quite agree that it is best to raise it by direct taxation. I would like to see my hon. friend take some steps to make that taxation apply fairly equally. I do not suppose that it can be applied with absolute equality, but it should apply fairly equally to those who have money and are able to pay. It is very extraordinary that the Government should adopt a system of this kind when, in this very city of Ottawa, there are over a dozen millionaires, several of them multi-millionaires, walking around with revenues of upwards of $100,000 per annum. Yet my hon. friend does not make the slightest effort to take a single dollar from one of them. It is the struggling man in business who is being taxed, and the wealthy

concerns, in a general way, are going to escape. That is how it will work out to a very large extent. While I quite agree with the taxation of corporations, I would have liked to have seen some system of equality by which all would be taxed somewhat alike.

Mr. GREEN: Mr. Chairman, in my opinion, the Budget is a very fair one. The hon. member for Assiniboia (Mr. Turriff) in his usual—shall I say—reckless fashion—

Mr. TURRIFF: Say what you wish.

Mr. GREEN: Then I shall say reckless fashion—

Mr. TURRIFF: Free speech.

Mr. GREEN: —attempts to show this House that my hon. friend the Minister of Finance (Sir Thomas White) in bringing down this Budget is not taxing the moneyed man. In my opinion this Budget covers very largely the class that we want to get after, the class that is able to pay. As to the individual and the question of an income tax, the reason is apparent why this Government has not undertaken to impose taxation along that line. I am not going to take up the time of the committee this afternoon at any length; but I simply wish to say that when the Budget was first brought down I was of the opinion that the taxation was going to bear very heavily upon the mining industry. Knowing that capital is easily frightened, and especially such capital as seeks investment in the mining industry, I was much alarmed at the thought that it was possible and probable that this Budget as applied to mining companies would have the effect of keeping capital out of our country. The difficulty of mining is not so much to get capital for the mine of known value; it is to get capital for the prospect, for the undeveloped mine, because once you have a mine developed there is nothing in the way of getting ample capital to operate it, because you can always show the profits that can be made. I interviewed my hon. friend the Minister of Finance and discussed the question with him, and he agreed with me that the mining industry was entitled to greater consideration than was an ordinary commercial company. The ordinary commercial company, if it is well managed, is in a better position after it has been operated for a number of years to make money than when it first started in, because it has established a reputation and is in a position to do business appertaining to its particular line much better than when it commenced. The mining company, on the other hand, is producing something from the ground, and every ton of ore that is produced and marketed is just so much depreciation of its capital. The life of metalliferous mines is anywhere from 5 to 25 years; in some districts the life of a mine is much longer than it is in others owing to the geological formation which results in the ore bodies extending to a greater depth. The Minister of Finance has provided for that, and his proposition, as outlined this afternoon to me, is an eminently fair one. I have no hesitation in saying that I believe it will be acceptable to the mining interests of the province from which I come and the mining interests of Canada generally. There has been a great deal of misunderstanding as to just how this tax is going to be applied in connection with mining companies, but from the explanation we have had this afternoon I think that that misunderstanding will be removed. I am further of the opinion that there is no mining company, in the province of British Columbia at least, that would seek to evade taxation for war purposes entirely. I believe they are all quite ready and willing to pay their fair share of the tax. They are just as confident of a satisfactory conclusion to this war as we are and just as ready to pay their proportion of the cost.

While on this subject, might I digress to say that the war has been very beneficial to the mining industry of Canada? I am not speaking now so much of the additional price obtained for the product, but of the fact that it has made the people of Canada and Great Britain, as well as this Government, see the necessity that exists for the reduction and refining of ores within our own community. The Government have arranged for the reduction and refining of zinc. An arangement is being made, I believe, for the refining of copper, and I am going to express the hope that the Government will never rest until they see that every pound of gold, silver, lead, zinc, copper and nickel produced in the Dominion is also refined within our own country and sold as finished products.

Mr. MACDONALD: As my hon. friend comes from British Columbia, could he tell me whether or not we have any actual refining of copper and lead here, or if we produce any of these minerals in a mercantile condition for sale?

Mr. GREEN: I cannot speak for the East, but we have in the West, and have had for some time, a plant that reduces and refines lead and all the silver, copper and gold that may be contained within the lead product. We have in operation in British Columbia the electrolytic process for the reduction of zinc. It is producing electrolytic zinc, which is a very pure form of zinc and does not contain over two-tenths of one per cent of impurities. That plant is in operation to-day and is being extended. It is at present producing 25 tons per day, but they propose to extend it to treat all the zinc ores that they can possibly handle. There is no copper being refined as such within Canada as far as I know. We do not go any further than bringing the copper into matte, or blistering it. I believe arrangements are now being made, and that a plant has been erected to refine in Canada as much copper as the home market will absorb, and I am in hopes that the Government will not rest until all metals produced in Canada are refined in this country.

Mr. CARVELL: Would my hon. friend give us the capacity of the copper refining plant which is now nearing completion?

Mr. GREEN: I think that we produce in Canada to-day something like 60,000,000 pounds of copper. The manager of the works in question told me that their plant would provide for the normal consumption of Canada, which would be nine or ten million pounds a year. I do not think I can add anything further, except to repeat that I am sure the mining industry of British Columbia will be satisfied with this taxation after the explanation given by the minister this afternoon.

Mr. MACDONALD: I am very glad that my hon. friend from Kootenay (Mr. Green) has corroborated a statement which I made early in the discussion to-day, as to the danger that might arise from imposing a tax upon the mining industry. While the minister's explanation, that the value of the metal in the ground is to be considered as a portion of the capital upon which earnings have to be made before the tax is imposed, may relieve in some measure the fears of those who are interested in operating mines, yet it does not remove the fears that exist in the minds of those who may be approached for capital for the purpose of developing a mine whose real value has not been ascertained. My hon. friend the Minister of Finance states that this is a temporary measure only, and not a final solution of the question. He may say that in the Bill he does not propose to make the tax applicable for a longer period than two years; but when I suggested that the obligations imposed as a result of this war might not be concluded at the end of two years, my hon. friend proceeded to indulge in a lot of side-wind talk about the war, which was wholly irrelevant. I made no prediction as to how long this war was going to last. I could not predict that any more than my hon. friend could. It is not the exact date upon which this war will finish that will decide how long this country is to be taxed, but these two things will determine it; first, the extravagance of my hon. friend, and, secondly, the obligations imposed by the war. My hon. friend's extravagance is still going on this year. He said last night that the only way we could get money was by saving. I would point out that the Chancellor of the Exchequer in Great Britain has set an example by giving up his motor car and walking from Westminster to Downing street every morning. My hon. friend's idea of economy is to include in the Estimates $28,000,000 which he says he will not expend unless a supervening necessity—which might be a political question—arises. Whether we should all be in a sound financial position at the end of two years depends in the first place, upon whether the minister practices the economy he preaches; and, secondly, upon the amount of money we spend upon the war. Although we have been sitting for two months the Minister of Finance has not yet given to the House the total cost of the war to date, nor how much it is costing us each day. We agreed to my hon. friend taking power yesterday to borrow $75,000,000, and we have before us now proposals which are intended to raise a very large sum of money. And I say that before my hon. friend should ask this House and investors to believe that this taxation is to be purely temporary, he should give us a statement of how much we have paid on account of the war, and, secondly, he should set us an example in economy.

My hon. friend told us that nobody in England had raised any question in regard to the proposals made in the British House for carrying on the war. I venture to say that if my hon. friend will read the English Hansard he will find that the question how the money should be raised there is a

matter of free discussion. My hon. friend must not think, simply and solely because he and his colleagues happen to be in power while the war is on, that everything the Government proposes must be ratified, and that free people in this House are guilty of lèse majesté if we venture to criticise the Government's proposals, and suggest better methods of meeting our obligations. That attitude is entirely erroneous.

The Minister of Finance says, in an apologetic way, that this taxation is purely temporary, and that for the purpose of raising a certain amount of money this year he is putting a tax on industry instead of on wealth. I say that we have a perfect right to suggest that the tax should be placed upon wealth, and distributed fairly over the whole country. The mere fact of the war being on adds no weight to my hon. friend's argument.

The minister says that political considerations will not enter into the administration of the Act. I venture to say that if the terms of the Bill are the same as the terms of the resolution, the minister is taking into his hands vast power. He is taking power to nose into the private business of every concern of this country whose business comes within the scope of this Act.

Sir THOMAS WHITE: Would not that be the case if we adopted an income tax on individuals and companies?

Mr. MACDONALD: My hon. friend could follow the line adopted in those countries that have adopted income tax legislation, and then he would not be exempting capital as he is doing here. It is gratifying to receive the assurance that political considerations will not enter into the administration of this Act. I am free to confess that I have little complaint to make in that regard so far as the Minister of Finance and his department are concerned, but my hon. friend has little scope as compared with some of his colleagues. I venture to say that the hon. gentlemen who sit around him will at once begin to besiege him in regard to the employment of accountants here and accountants there in each of the provinces of this Dominion where they have friends who have some claim on them for political consideration, and my hon. friend will not resist their importunities. Some ministers have put up before the Canadian people this farce, that there is no patronage in their departments. A ridiculous answer was given to me by the Secretary of State, speaking for the Government, to a question which I put to him as a result of a statement made by the Minister of Trade and Commerce. In that answer the hon. gentleman seriously put forward the idea that there is no patronage and no politics in the administration of this country. The political chicanery of the Militia Department is the disgrace of Canada; and there is no portion of the country in which to-day that sincere and deep feeling which our people naturally have in regard to the war has not been alienated or interfered with as a result of the administration of the Militia Department in connection with war matters. The same is true of every other department; and when my hon. friend says that there will be no politics in the administration of this measure, I venture to point out to him that, while his statement sounds well, if he does not practise what he preaches, in spite of hon. gentlemen who sit around him, he will fall very far short of his protestations. Incidentally my hon. friend undertook to deny the statement made by my hon. friend from Assiniboia (Mr. Turriff), that the money collected last year from the sale of war stamps went into the Post Office Department.

Sir THOMAS WHITE: What I said in answer to the hon. member for Assiniboia was that the proceeds from the sale of stamps go into the Consolidated Revenue Fund of the Dominion.

Mr. MACDONALD: Through the Post Office Department.

Sir THOMAS WHITE: They go into the Consolidated Revenue Fund, no doubt through the Post Office Department.

Mr. MACDONALD: I quite understand the point my hon. friend is making. My hon. friend knew quite well when he was making his statement that he was not meeting the point raised by my hon. friend from Assiniboia.

Sir THOMAS WHITE: He was.

Mr. MACDONALD: Did not the people of this country last year think, when they were buying that additional stamp that went on to every letter and post card they mailed, that they were contributing to the Dominion treasury something that was to be ear-marked as a special-tax and which was to go into the fund that was to be devoted to carrying on the war?

Mr. CARVELL: Why did they mark it "war tax?"

Sir THOMAS WHITE: That was precisely what was done. The proceeds of the entire special war taxation went into Consolidated Revenue Fund, and out of that fund we paid for the purposes of the war very much more than was received from the special and the general taxation.

Mr. MACDONALD: Is the minister—

Sir THOMAS WHITE: My hon. friend is only quibbling.

Mr. MACDONALD: It is my hon. friend who is quibbling, and he knows it, because he knows that, if, in making that statement, he had said that the proceeds had gone into the Consolidated Revenue Fund through the Post Office, his statement would have been correct. I venture to state that the money that was received from the sale of those war stamps was not ear-marked and went into the Post Office Department.

Sir THOMAS WHITE: I consider my hon. friend's statement a mere quibble, and he knows it. There was never any intention of specially ear-marking any fund.

Sir WILFRID LAURIER: Then, you did not ear-mark it?

Sir THOMAS WHITE: Under the financial system of this Dominion all revenues, without any exception, even trust moneys go into Consolidated Revenue Fund. There is only one pocket that the Dominion has, and the point that I make is that last year we paid out of Consolidated Revenue Fund, into which the special and general taxation went, more for war expenditure than we derived from the special and general taxation, and I say that my hon. friend knows it.

Mr. MACDONALD: I say further—and my hon. friend cannot contradict me—that he paid out to the Post Office Department $3,000,000 more than he got from it.

Sir THOMAS WHITE: That is not the point.

Mr. MACDONALD: My hon. friend is a quibbler—let there be no mistake about that. My hon. friend speaks about the Consolidated Revenue Fund of this country. He receives from certain departments of this Government certain amounts. He pays out certain amounts. The net amount which he receives from the Post Office Department, or from the Railway Department, or from the Customs Department, or from any of the other departments in any particular year, is the amount which each particular department has by way of surplus from its administration.

Sir THOMAS WHITE: No, it is not.

Mr. MACDONALD: I beg my hon. friend's pardon. The revenue of the Post Office Department for last year was $13,026,000, and the expenditure was $15,969,000. The money from the sale of those postage stamps, which were intended as a war tax, which should have been ear-marked as a war tax and kept for war purposes, was not so kept, but it went into the Post Office Department, and was absorbed in the general administration of that department, and the department costs more to administer than what it receives from all purposes, including the war tax.

Sir THOMAS WHITE: What is the date of the Auditor General's Report from which my hon. friend is quoting?

Mr. MACDONALD: I am quoting from the last one that has been laid on the table.

Sir THOMAS WHITE: What date is it?

Mr. MACDONALD: For the year ended March 31, 1915.

Sir THOMAS WHITE: And my hon. friend knows that the special taxation did not come into force until April 15, 1915.

Mr. MACDONALD: Will my hon. friend say—

Sir THOMAS WHITE: Does the hon. gentleman want to quibble about that again?

Mr. MACDONALD: I was quoting that simply for illustration. I want to ask my hon. friend a question: Will my hon. friend say that the proceeds from the sale of those war stamps in 1915 have not gone into the revenue of the Post Office Department?

Sir THOMAS WHITE: Your hon. friend will only say that my hon. friend has said more than enough for his own good.

Mr. MACDONALD: That is my hon. friend's ultimatum. My hon. friend has been indulging in the worst kind of quibbling in which I have ever seen any minister indulge.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: Hon. members laugh. I dare my hon. friend to deny that statement.

Sir THOMAS WHITE: You are caught with the goods.

Mr. MACDONALD: Well, my hon. friend is caught in deceiving this House, and I say so.

The CHAIRMAN: Order. I must say to the hon. member that his remark is quite out of order—

Mr. MACDONALD: Not at all.

Some hon. MEMBERS: Order.

The CHAIRMAN: —that the hon. minister is deceiving the House. I would respectfully ask the hon. gentleman to withdraw the remark. I think on reflection he will agree with me that it is unparliamentary.

Mr. MACDONALD: Well, in deference to you, Sir, I will substitute this statement, that the attitude of my hon. friend has the effect of deceiving the House and the country. I make this statement in the committee in the presence of the Minister of Finance, that my hon. friend, instead of appropriating the money received from the war taxes imposed by means of the postage stamps that have been sold throughout the country since the imposition of the tax for war purposes, has allowed it to go into the general revenue of the Post Office Department, where it has been absorbed, and I state that that department has been run at a loss; that instead of economy being practised, the grossest kind of extravagance has been indulged in, and that as the people of this country will realize, my hon. friend has permitted this money, which was collected for war purposes, to be diverted by the Postmaster General to the general business of the Post Office Department. That is the statement I make, and the minister can not controvert it. He can quibble as he pleases with regard to it, but he cannot deny it. I wanted to make that as clear as possible.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: If the Minister of Finance contradicts that statement, I would be glad to give way to him that he may speak now.

Sir THOMAS WHITE: I do not like continually to interrupt my hon. friend. I say that his statement is entirely unfounded—a quibble; and, having regard to the intelligence I know he possesses, I cannot believe but that he knows it to be a quibble. But if he says he does not know it, I withdraw that expression. When he concludes his remarks, I shall be glad to give an expression to my views.

Mr. MACDONALD: I am not asking for an expression of the hon. minister's views; I am asking simply whether this tax is ear-marked for the purposes of the war, or whether he allows it to go into the general revenue.

Sir THOMAS WHITE: I shall be glad to deal with that.

Mr. MACDONALD: And I shall be glad to hear my hon. friend. But I hope he will not deal in generalities about the money going into the consolidated revenue fund. We all know that all the revenues of Canada go into the consolidated fund. But we know also that in the case of the Government railways, for instance, the receipts are used to pay expenses, and only the balance of receipts over expenses, if there is such a balance, goes into the consolidated revenue of Canada at the end of the year. If there is no such surplus, nothing is added to the consolidated revenue fund. Now, as to the Post Office Department, the proceeds of the war tax were collected by the Post Office, and if there is no surplus in that department, the consolidated revenue fund does not get the money. So, my hon. friend cannot say that the money was devoted to war purposes. My statement is absolutely clear, and if he can controvert it he is welcome to do so.

Sir THOMAS WHITE: I certainly can.

Mr. MACDONALD: We will await the hon. gentleman's statement. We were discussing the question of whether this Budget would work injury to the mining industry. My hon. friend from Kootenay (Mr. Green) very frankly tells us of the injury which he conceives these taxes will work to the mining industry of his province.

Mr. GREEN: I spoke of the taxes as brought down.

Mr. MACDONALD: I was not going to misrepresent my hon. friend. When this Budget was brought down he thought that it would work great injury to the mining industry. But he says that, as a result of the amendments which have been made in regard to operating mines, there would be no injury. And he says that the companies of his province will not complain because they are asked to contribute something by way

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of tax to carry on the war. But he cannot claim that the effect of these taxes will not be injurious so far as the prospector is concerned, the man who seeks to get capital into a mining venture.

Mr. GREEN: I do not think the Budget affects the prospector.

Mr. MACDONALD: The hon. gentleman means that there is no tax levied upon the man, but that the taxation is confined to companies. But he knows that, as regards the future company, it will place difficulties in the way of the man who has to look for capital to work a mining claim which he believes to be good.

Mr. GREEN: If the hon. gentleman wants to represent my view, it is, as I said, that when this Budget came down I thought it would be injurious. I interviewed the Minister of Finance on the matter. But, with the amendment, and with the explanation made by the minister, my opinion is that it will not injure the mining industry, nor will it place difficulties in the way of enlisting new capital in mining.

Mr. MACDONALD: The hon. gentleman may be satisfied as regards existing companies, but he must appreciate the fact that the party who goes looking for capital to establish a mine will have to make a great many explanations to prospective investors before he can induce them to invest. We come back to the difficulty which underlies this whole proposition, the inability of my hon. friend, whether he be Minister of Finance or anything else, to give any guarantee to capital that this tax will not last longer than two years. We are at a disadvantage in considering this question, because the Minister of Finance has not laid before the House a statement of the real commitments of this country in this war at the present time. We have dealt with generalities as to the expenditure of hundreds of millions, but we ought to know what we are spending day by day. Only with such information before us can the House and the country know whether or not this tax will be only temporary. Does the Minister of Finance mean to say that if it is necessary for him to continue this taxation after two years he will cut off this method of taxation and revert to some other method? If my hon. friends means to take that position and say that if we need taxation in this country we will not pursue the method we are now pursuing, after the end of two years, then you have some finality upon the question. But I did not understand my hon. friend to say that. He leaves it quite open, to himself, if the necessities of the country, in his judgment, require it, and if he is still in office, to pursue this method of taxation or any other method that seems good to him. Hence the apprehension which many of us felt when this Budget was brought down that the possible investor outside of this country might feel, in fact, undoubtedly will feel, that a tax is being imposed in Canada which may be increased and which may have the effect of rendering wholly uncertain the returns upon such a speculative industry as mining necessarily is.

Mr. THOMPSON (Yukon): My hon. friend has just given expression to some views which to me are very interesting. I do not agree with him, however, with regard to difficulty in getting money for mines in this country. I have no doubt that the Minister of Finance would be glad, if he were able to do so, to announce that there would be some finality to this tax. How can the Minister of Finance, or the Prime Minister, or any other member of the Government, or the hon. member for Pictou, say when finality will come to this war tax? No one knows when the finality of these taxes will come, and so long as we are at war no one expects a cessation of these taxes. We cannot be at war without raising money, and there is only one way a Government can raise money, that is, by taxation.

My hon. friend raises the question of getting money for mines. I represent a mining community, and it may be interesting to this committee to know that the mining industry is the second greatest industry in Canada. It may be interesting to this committee to know also that the mining industry produces more tonnage for our railways than any other industry in Canada; in fact, that it produces more tonnage for railways than all other industries in Canada combined. I have in my hand a statement which is compiled by the United States Interstate Commerce Commission for the period from 1900 to 1906.

Mr. CARVELL: Does that statement cover gross tonnage or ton miles?

Mr. THOMPSON: It is the tonnage that originates as the product of mines.

Mr. CARVELL: That is gross.

Mr. THOMPSON: I am not referring to the mile tonnage, but to the actual tonnage which exists and which the different railways haul. I find in this statement that the products of mines represent 52 per cent of the total tonnage hauled by the railroads of the United States during these 6 years. A similar compilation with regard to the Temiskaming and Northern Ontario railway, which, by the way, is the report I am quoting from, gives a similar statement; but the percentage is not quite so high—not quite 50 per cent, so far as that particular railroad is concerned. The point I desire to make is that in legislating for Canada no Government can afford to overlook the question of our mining industry, because of its tremendous importance.

To revert to the remarks of my hon. friend from Pictou (Mr. Macdonald), we very often have to go abroad for money to develop our mines. But let me ask him to what country we can go to-day for money to develop our mines where there are not war taxes. Can we go to Britain? The British Government does not permit money to leave Britain to-day for the development of mines in Canada. Can we go to France? There are war taxes in France. Can we go to Russia? There are war taxes in Russia. Can we go to Italy? There are war taxes in Italy. We do not want German money or Austrian money or Turkish money. Where else shall we go? To the United States? Are there no war taxes there? Six months before we put a war tax in this country, when we were at war, the United States put a war tax on—and they are not at war. That war tax is still in existence. They have an income tax there. Therefore my hon. friend's argument falls to the ground, because you cannot go to the United States to get money for investment in mines if you are to go to a country that has no war tax. So far as I am concerned and so far as that portion of this great industry with which I have some connection is concerned, there is no great fear about these taxes. So far as the mining industry and mining men in this country are concerned, they are as loyal, we are as loyal, as the hon. member for Pictou; they are prepared to pay their full share of these war taxes, and glad to do it.

Mr. MACDONALD: I take exception to the proposition that the Guggenheimers of New York are as loyal to the British Empire as I am.

Mr. THOMPSON: I have no doubt my hon. friend does take exception to it, because he has no knowledge of the facts. I dare say that the men who are interested in mining in this country, and the mine workers, are as loyal as my hon. friend from Pictou, and just as willing to contribute their share to this tax. There is no question about that. We are at war, we have to get the money to carry on the war, and it is to the Minister of Finance that the country looks to find the money. He proposes this tax; it is not unreasonable, and I know that the mining industry will be satisfied with it. Why, Mr. Chairman, two weeks ago, the body which speaks in Canada for the mining industry, the Canadian Mining Institute, met in this City of Ottawa, and I had the honour of introducing to the Minister of Finance a delegation from that body. They presented to him their views, and they assured him, in my presence, that they were willing and ready to contribute their full share of this taxation. The Mine Owners' Association of Ontario sent a delegation on the following day, and I had the honour of going with that delegation to the Minister of Finance. They presented the same views. We are at one on this question, and I repeat, the mining industry is quite willing, able, and glad to pay its full share of taxation necessary to carry on this great war.

I do not agree with my hon. friend from Pictou when he says that because of this tax we shall not be able to get capital to develop our mines. It is not the investor who is hit; it is only those companies that are making big profits from the advanced prices of materials, which are largely caused by the war, that will be hit. These are the companies that are going to be taxed, and these only. The men making small profits will not contribute. I submit that the mining industry will not be affected more than any other industry. I represent a class of mining that is different from any other section of that industry. We all know that mines have a limited life. Coal mines have perhaps the longest life, nickel perhaps next, copper next, silver, I fancy, next, gold perhaps next, but the shortest life of all is that of placer mining, which is the chief industry in the territory I represent. This was one of the questions which the gentlemen who represented the Mining Institute submitted to the Minister of Finance, and it is

a question of prime importance. The answer of my hon. friend was of great importance to that industry, and the answer he gave satisfied them that he was going to deal with their industry in a fair and equitable way by recognizing the principle which underlies it. He recognized that he was dealing with an industry different from agriculture, railways, lumbering, or any other branch of industry the products of which can be reproduced. But metal once taken from the soil cannot be reproduced. The Minister of Finance recognized that basic principle and assured the delegation that in casting his Bill he would proceed on the principle that a percentage of the capital in the industry is being taken yearly and distributed in profits, if profits are made. That answer satisfied those gentlemen, and I submit it was a fair and reasonable answer. That is why the mining industry will accept this Bill, and will be ready and willing to pay their full share of the tax.

Mr. OLIVER: The explanation given by my hon. friend from the Yukon (Mr. Thompson) puts this proposal of the Finance Minister in a light which I certainly never understood before. Is the committee to understand that the Finance Minister is being granted power under this Bill to fix, according to his own judgment, and without any control on the part of this parliament, the limit of taxation that a mining company shall pay. If that be the fact, it opens up a most startling situation. There is no doubt that the Minister of Finance is a man of the very best intentions, and I would certainly trust him to do what was right in such a case, as much as I would any other man in Canada. But the Minister of Finance to-day may not be the Minister of Finance to-morrow, and, in any case, this Parliament has a responsibility to the people and to the interests of this country which it cannot discharge by simply saying: we depend on the Minister of Finance. If that is the character of this legislation, it certainly has an application which I for one never suspected. I thought it very questionable before, but it is certainly very much more questionable now. My hon. friend from the Yukon said that placer mining was a great source of wealth in that country. He said that the proposition now before the House would not adversely affect the mining interest. I suppose he was speaking particularly of the Yukon. Mining in the Yukon to-day is being carried on as the result of an enormous investment of capital, I do not know just how many millions are represented in that investment, but I suppose it would be perhaps $10,000,000.

Mr. A. THOMPSON: About twice that.

Mr. OLIVER: $20,000,000?

Mr. THOMPSON: About.

Mr. OLIVER: I am speaking of one company—the Yukon Gold Company?

Mr. THOMPSON: Of that company only?

Mr. OLIVER: We will, for the purposes of my argument, assume that the Yukon Gold Company has made an investment of $10,000,000 for the purpose of producing placer gold in the Yukon. Necessarily, the life of a placer gold mine in the Yukon, as it must be everywhere else, is limited. I am not sure that the men who invested their money in that gold field knew what the life of the field was going to be when the investment was made. I do not know that that is known yet. I think it would be proper to say that it is absolutely not known yet. If the men who invested their money in that Yukon gold company's enterprise had had to face taxation legislation of this character, in which it was left, as I understand, absolutely in the hands of the Minister of Finance as to whether they should pay a larger or a smaller rate of taxation; as to whether they might be taxed out of business within a certain period of years, I am here to say that the money would never have been invested. There is no argument on that subject; it would never have been invested under those circumstances and with that prospect in view.

Mr. BURNHAM: Does the hon. gentleman say that there is any discrimination involved in this resolution?

Mr. OLIVER: I do not say there is any discrimination involved in the resolution, and that is what surprises me. There is certainly discrimination proposed, under the explanation as given by the member for Yukon. He tells the House that it is proposed to leave in the hands of the minister the absolute right to vary the taxation on mining properties according to his best judgment. I know that such a proposal must have a most serious effect in preventing the investment of capital in the development of mining in Canada.

Mr. BURNHAM: Is that the text of the resolution?

Mr. OLIVER: No, it is not the text of the resolution; but the House has been informed by the hon. member for Kootenay (Mr. Green), and by the hon. member for Yukon, both gentlemen representing mining constituencies, that the minister has explained that this is to be the course taken. I am taking their explanation, as they have given it, I suppose, in perfectly good faith, and I am very much surprised and alarmed at the nature of the explanation. I would hope that it is not correct, and that the minister does not propose to assume any such unlimited measure of authority in dealing with a question that is so important as the taxation of mining properties. This is a different question from that of the taxation of other business enterprises, because the profits of a mining property exhaust the capital year by year, while the profits of any other enterprise do not exhaust capital in the same way.

Speaking of the proposal as a whole, if I understood the minister correctly, he said that this proposal was strictly a war measure to meet war conditions. Therefore I would assume that it is a temporary measure of taxation not intended to be continued indefinitely when war conditions have ceased. If I am correct in that, and I believe I am, I would take the opportunity of putting this view before the committee. We are not expecting or proposing by this measure of taxation, or any other measure of taxation that we are putting in force, to pay the capital charges of the war. We are only proposing to provide for the necessary interest charges. These interest charges are not a matter of the continuance of the war; they are a matter of the period of the loan which is raised in order to provide for the war during its continuance. Any provision that only contemplates providing for the interest charges for a short period, or during the continuance of the war, is certainly inadequate. We must face the condition that we have when we have incurred a capital obligation of $300,000,000, $400,000,000, of $500,000,000, and interest on that capital obligation must be met for at any rate, we will say, a period of thirty years. It seems to me it would have been the part of wisdom for the minister, in preparing this scheme of taxation, to have prepared a scheme that would be suitable and would be available permanently for meeting these interest charges. It is most unfortunate if we are to have a temporary scheme of taxation imposed which admittedly has so many drawbacks and difficulties to overcome when we have to meet a permanent condition. We should meet that permanent condition by permanent preparation, and not by temporary preparation. My understanding of the position of the minister is that he recognizes that this proposal is not a suitable proposal as a permanent means of raising interest on war loans. Is it because he realizes that this is a tax upon enterprise rather than upon wealth, and that, inasmuch as it is a tax upon enterprise it cannot be successfully maintained during the period of the war loan, while putting an obstacle in the way of the expansion of the industrial and commercial interests of the country?

If I remember correctly, the Minister of Finance, when introducing this measure, laid stress upon the excessive profits of munition contractors, the munition contracts being a war condition. Everybody will agree that a temporary measure, to apply to the excessive profits of munition contractors, would be fair and reasonable. Not to criticise or find fault with the gentlemen engaged on munition contracts, the fact undoubtedly remains that while the business of the country at large is not in a buoyant condition, their business is in a particularly buoyant condition. They are in a position to pay a considerable share of the taxation, and their profits will cease when the war ceases. It is, therefore, reasonable that provision should be made for taxation of war profits as a war measure. That is easily understood, which cannot be said for a scheme of taxation that applies to all business, and is only temporarily a war measure; for general business in some form or another will have to carry the permanent liability resulting from our war obligations.

The hon. member for Yukon (Mr. Thompson) mentioned that the United States have adopted income taxation as a war measure. That is a tax on wealth, and chiefly on accumulated wealth. Now, that is a permanent proposition. It stands to-day, to-morrow, and as long as the taxation is needed. It seems to me that a taxation measure, not necessarily on the exact line followed in the United States, but on the principle of laying down a system which would be as permanent as our war obligations, and which would be a tax on wealth rather than on industry or enterprise, is what would appeal most strongly to the people of this country, and would be more to the advantage of the country than the proposals made by the Minister of Finance.

Mr. H. H. STEVENS (Vancouver): I have listened with a good deal of interest to the numerous arguments made by hon. gentlemen opposite against these taxation proposals. I do not intend to speak at any great length; but one statement has been made which I feel I cannot let pass unchallenged. The hon. member for Pictou, for the second time in this debate, practically charged the Finance Minister with intentionally deceiving the House on the question of taxation, and he based his argument on the expenditure and revenue of the Post Office Department. The hon. member on a former occasion made use of these words:

> The hon. Finance Minister last year, in the most solemn tones that he could command, asked for the imposition of an additional tax of one cent on every letter that went through the mails of this country, for the purpose, forsooth, of meeting war expenditure. Taxes upon patent medicines and upon various things were included, the minister saying that the people should willingly accept the imposition of this taxation in order that we might thereby provide the funds to pay the interest upon the debt that we were contracting in order to fight the battles of old England. I tell you, Mr. Speaker, that the proceeds of not one of the stamps that were put upon letters in all parts of the country were devoted to war purposes. Every cent and every dollar made up from this source was appropriated by the Post Office Department for the purpose of paying the extra clerks in Montreal and Quebec, and of meeting the boundless run of extravagance that was begun by Hon. Mr. Pelletier, and that is being continued by the present Postmaster General.

Mr. MACDONALD: Hear, hear.

Mr. STEVENS: My hon. friend says, "hear, hear." He took up a blue-book and was endeavouring to lead the House to believe that there was a deficit in the Post Office Department this year of at least $3,000,000, when the Finance Minister forced him to acknowledge that he was reading from practically an ancient report, or at least not from a report of the revenue and expenditures for this year; and my hon. friend went on to make a bitter and unjustifiable attack on the Finance Minister. Now, I wish to give the House the actual figures of the revenue and expenditures of the Post Office Department since this tax of an extra cent was imposed in April last. For the nine months from April to December of the year 1915, the revenue of the Post Office Department was $14,019,874, and the expenditure $11,705,370: that is there was a surplus for the nine months of $2,314,504. I submit that in view of these figures, which the hon. member for Pictou cannot deny, he owes an apology to this House and to the Minister of Finance for the reckless and unjustifiable statement he made. The figures show that there will be a surplus of $3,250,000 for the Post Office Department this year, and that will go to assist in the prosecution of the war. The hon. member for Pictou knows perfectly well that under the system of financing we have in this country the total revenues go into Consolidated Fund, and the surplus from that fund is now being used for the prosecution of the war. Certainly now is not the time to suggest that we should have a new system of financing, or that we should ear-mark every dollar from this source and that so as to be sure that it is used for war purposes. Why, in order to keep track of every dollar and allocate it to this or that fund, we should have to double the staff of the various departments.

Mr. CARVELL: You could not find places for them.

Mr. STEVENS: My hon. friend's mind is running back to the time when he was sitting behind the treasury benches.

Mr. CARVELL: I meant that you could not find sitting room in the departments.

Mr. STEVENS: I do not think my hon. friend's remark is very pertinent.

Mr. A. K. MACLEAN: The hon. member for Pictou was endeavouring to estimate the net result of the financial operations of the Post Office Department for the present fiscal year.

Mr. STEVENS: And he made a pretty poor fist of it.

Mr. A. K. MACLEAN: He was urging a more economical administration of that department, and contending that if the department were economically managed it would at least pay for itself, and would not eat up the revenue which the Government was obtaining from war stamps. Will the hon. gentleman tell me what he estimates the deficit of the Post Office Department will be for the year ending on the last of this month, not crediting to the Post Office Department the revenue from the war stamps?

Mr. STEVENS: I will answer that in a minute. My hon. friend says—and I am surprised at the hon. member for Pictou being suddenly struck dumb, as he usually has the last word.

Mr. MACDONALD: My hon. friend will hear from me at the proper time.

Mr. STEVENS: I am glad that my hon. friend has found his tongue again.

Mr. McKENZIE: They can not both speak at the same time.

Mr. STEVENS: My hon. friend says: "I was endeavouring to show what the deficit is this year." He can figure and he can produce blue-books by the ton, but he will not be able to show what the deficit is this year; he will find a surplus in nine months of $2,314,504.

Mr. A. K. MACLEAN: But that is counting war-tax revenue.

Mr. STEVENS: Certainly, and the tax was put on for war purposes.

Mr. A. K. MACLEAN: That is not counting only the Post Offive revenue, but including revenue from other sources. What is the result without the war-tax revenue?

Mr. STEVENS: I will come to that in a second. Let me lay down this as a fundamental principle — and the Postmaster General in the former Government and the right hon. leader of the Opposition will agree with me—that the Post Office Department is not supposed to be a revenue-producing department.

Mr. OLIVER: It used to be.

Mr. LEMIEUX: Not with the Tories in office.

Mr. A. K. MACLEAN: Answer the question.

Mr. STEVENS: I will most assuredly answer the question. The policy originated by the right hon. gentleman now leading the Opposition, when Sir William Mulock was Postmaster General, and when they reduced the postage from three cents to two cents, was this: That they did not want the Post Office to be a revenue-producing department, but they wanted it simply to pay its way. In the year ended March 31, 1914, there was a deficit in the Post Office Department, but 75 or 80 per cent of the business concerns throughout Canada showed a deficit during the first few months after the war broke out, and the Post Office Department was probably affected in its revenue more severely than any other department.

Mr. A. K. MACLEAN: The revenue of the Post Office Department did not fall off. My hon. friend is not answering my question.

Mr. STEVENS: If my hon. friend will not be patient until I come to his question, I will answer it now, even although it makes my remarks disjointed. My hon. friend asks why there was a deficit in the Post Office Department? I say: because the Government carried out one of the most important planks in its platform, namely, the extension of rural mail deliveries throughout this country plus the parcel post system. Will the hon. gentleman or his leader take the responsibility of condemning here the policy of the Government in extending rural mail deliveries?

Mr. A. K. MACLEAN: It is not necessary.

Mr. STEVENS: He certainly will not, and no sane man will condemn it. But my hon. friends from Halifax and Pictou are condemning the Government, and indirectly placing themselves in the position of condemning rural mail delivery and increased postal facilities. I will give my hon. friend an illustration right in my own district.

Mr. A. K. MACLEAN: My hon. friend is not answering my question. He was going to do so a minute or two ago.

Mr. STEVENS: I am answering it as fast as I can.

Mr. A. K. MACLEAN: He will forget about it soon.

Mr. STEVENS: My hon. friend keeps on interrupting with new questions. Let us take the revenue and expenditure of this year. I show here by official figures from the accountant of the Post Office Department, that in nine months we have a surplus of $2,314,504.

Mr. A. K. MACLEAN: Including the war stamp taxation.

Mr. STEVENS: Certainly including the war stamp taxation, and this surplus is going to assist in financing the war, just as the Minister of Finance told the House a year ago.

Mr. CARVELL: What would be the result excluding the war stamp tax?

Mr. STEVENS: Judging from the amount of the war stamp tax, I should say, although I have not the figures before me, that the Post Office Department will come out even, and that is exactly the policy which the right hon. gentleman followed for years and which this House is not prepared to turn down, namely, that the Post Office Department shall break even.

Mr. A. K. MACLEAN: There will be a deficit of from three to five million dollars in that department.

Mr. STEVENS: Then there is all the more credit to the Minister of Finance for his financing. My hon. friend has not at all succeeded in getting over the malicious attack of the hon. member for Pictou on the Minister of Finance when he stated that the minister had a deficit in the Post Office Department, and that he was deceiving the House and the country. The Minister of Finance has, by his method of financing, succeeded in producing a surplus which is being devoted to the prosecution of this war, and a few dollars here or there are not particularly concerning my hon. friends opposite. I repeat that, so far as the increased expenditure is concerned, you have the parcel post, rural mail delivery, and increased postal facilities throughout the Dominion.

Mr. EDWARDS: Over $4,000 in the county of the hon. member for Pictou.

Mr. STEVENS: The hon. member said: "Why did the minister not put on an income tax?" Two or three years ago my hon. friend from Assiniboia (Mr. Turriff), and my hon. friend from Edmonton (Mr. Oliver) and others raged in this House about the trusts, mergers, and combines, about this industrial concern and that industrial concern, as if they had no right to exist in the country. Now they say: "Why does the Minister of Finance tax the industries of the country? why does he not leave those industries free?" Yet many of them are making huge profits out of war expenditures at the present time. They know this, if they know anything, that the people of Canada welcome the proposal of the Minister of Finance as a most radical advance in the system of taxation. The minister has cut the ground from under the feet of my hon. friends opposite, and that is what causes them so much anxiety, because it gives them mighty little to condemn this Government for on the hustings. The people are behind the Government. I would like my hon. friend from Edmonton and my hon. friend from Pictou to stand before the labour element in their constituencies and condemn this Government for the taxation proposals contained in this measure. They will go in a nice, quiet, gentlemanly fashion to the captains of industry and say to them: "You poor fellows; you are paying all this taxation; why do you not get after this nefarious and socialistic Government and put it out of business?" Then when they come to the working men, they will forget to say: "Why did you not ask for an income tax?"

Mr. MACDONALD: My hon. friend spoke about a white British Columbia some time ago.

Mr. STEVENS: My hon. friend will, at least, say that I have been consistent in my opinions. I have a deep regard for the hon. gentleman's leader, yet the right hon. gentleman has not been quite so consistent, perhaps, as I have been in regard to a white British Columbia. In British Columbit he was in favour of it, but down here for fifteen years he drifted, with not very much done, except to disallow 144 Acts of the British Columbia Legislature. If the hon. member for Pictou or the right hon. leader of the Opposition desires to fight out the question of a white British Columbia in British Columbia, taking the stand the hon. gentleman suggests at the present time, I am quite satisfied.

Now, let us have a word as to the income tax. These hon. gentlemen know perfectly well that there is not a province in Canada that does not impose an income tax. This is a system of taxation which is peculiarly adapted to the provinces, and it has always been considered inadvisable for the Dominion Government to invade that field of taxation. I venture the suggestion that these hon. gentlemen would not dare to include that as a definite plank in their platform. My hon. friend says that this system is not permanent. If our present methods of taxation do not bring the result desired, we may have to resort to many other forms. But the system introduced by the Finance Minister last year has been a splendid success, and we know that the system introduced this year has been accepted throughout the length and breadth of the country, and it also will be a success. But if the war continues and the expenditure increases, and if the people of Canada must bear a larger burden of taxation, I think they will be prepared to bear it cheerfully.

I desired to speak on the mining aspect of this question, but I will refrain, except to make one observation with regard to copper, which may be of some interest. I do not know that this is exactly time to introduce this suggestion, but I do not know of a better. Last year, in discussing the Budget, I strongly advocated the refining of copper in Canada. I understand that the Government has given the matter a great deal of attention, and with such success that a copper refinery will be established. To strengthen this idea, let me give a few

figures. Last year, we exported from Canada 221,000,000 pounds of copper. As I understand it, our copper is exported mainly in the form of matte. On the other hand, we imported 115,000,000 pounds of copper—about half the amount of our export. Here is the point to which I would draw the attention of the Government and the House. For the 220,000,000 pounds of copper that we exported, we received $25,000,000; but for the 115,000,000 we imported we paid $19,000,000. In other words we exported copper at 11¾ cents and imported copper at 16¾ cents. That should emphasize the necessity of having copper refineries within our own borders sufficient to supply all Canada. It is poor business to sell copper at 11¾ cents and to import copper—a great deal of it re-imported—at 16¾ cents.

Mr. CARVELL: The hon. gentleman (Mr. Stevens) congratulates the Government on having arranged for the refining of copper in Canada. What has the Government done to bring about this condition?

Mr. STEVENS: I do not think it is my place to deal with that. I leave that to the Finance Minister. I pressed this matter upon the attention of the Government last year, and others have done the same. The intimation is conveyed to me from other sources that steps in the matter have already been taken. Certain gentlemen wrote to me asking for information which I gladly supplied, but that was a private matter, and I do not think it would interest the House.

Mr. MACDONALD: My hon. friend, rushing to the defence of the Minister of Finance, charges me with maliciously attacking that hon. gentleman. I plead not guilty to the charge of malice. I admit that I spoke with some vigour. But if it is necessary, in order to make clear our views on this side of the House, to speak with vigour, I hope the hon. gentleman will not take that as indicating any malicious feeling. Coming to the rescue of the Finance Minister, he produces from somewhere—and in view of all the circumstances one might be pardoned for doubting the authenticity of his figures, a statement the effect of which was to show that the money collected by the post office as war tax did not go to the financing of the war, but went to pay expenses of the Post Office Department. He showed that for nine months' operations, including the money that came from the war tax, there would be a surplus of $2,300,000. In other words, taking the revenues from ordinary sources and adding the revenues that came from the sale of war-tax stamps, you get an amount, which, when all credited to the post office, amounts to $2,300,000 more than the expenses of that department. This proves exactly what I have said—that this money went to the Post Office Department and not to pay war expenses. Then the hon. gentleman said, a little disingenuously it seemed to me, that the policy of all governments was not to have a surplus in the Post Office Department. Well, turning to this report, I find that from 1903 down to 1911, under the administration of my right hon. leader there was a surplus every year, the lowest being $400,000 and the highest $1,100,000.

Mr. BURNHAM: But what is—

Mr. MACDONALD: My hon. friend is usually dreaming about something in the clouds, or something thousands of years or thousands of miles away, and wants to ask a question about it. I do not mind answering a question that relates to the subject.

Mr. STEVENS: The hon. gentleman himself is not backward in asking questions.

Mr. MACDONALD: I have shown surpluses under the Liberal Government. Now, take the policy of this Government down to 1915. In 1911 there was a surplus of $1,100,000; in 1913, $1,800,000; in 1914, $1,177,000. So, the policy of both Governments was to have a substantial surplus in the Post Office Department. As a result of the administration of somebody, they now have a deficit of $3,000,000. The hon. member for Vancouver says we have a surplus of $2,300,000, with all the returns not in. But if he will look at the Post Office Department figures and consider the balance shown, he will see that there are many deductions to be made, which, apparently, are not made until the end of the financial year. Now, what amount of money was collected in the war-tax stamps? In the financial year 1915 the amount collected from the sale of stamps at 2 cents was $14,558,000; in the financial year 1914 it was $14,392,000. That was all as a result of the sale of stamps at 2 cents apiece. Since April, 1915, every letter of the kind that passed through the mails in those two years at 2 cents, cost 3 cents. In other words, if you take the figures of 1915 and 1914 as being any indication, the revenue that would be derived for the year from

these additional war tax stamps would be $7,000,000.

Mr. STEVENS: Has my hon. friend eliminated from that calculation all the 5 cent stamps, the registry stamps, and the 1 cent stamps? Are his figures for 2 cent stamps alone? Has he eliminated the parcel post and the newspaper fees which are paid in bulk?

Mr. E. M. MACDONALD: As my hon. friend, who came here to give information for the Government, failed to give information on the vital point, we can only take the figures here and make an approximation.

Mr. STEVENS: There should be a certain reduction.

Mr. MACDONALD: Suppose we strike off $1,000,000.

Mr. STEVENS: Strike off one-half.

Mr. MACDONALD: Not at all; I do not assent to that. But suppose we say that $5,000,000 was obtained as the result of the sale of this additional 1 cent stamp, then the Post Office Department got at least $4,000,000 in the period my hon. friend has mentioned from the sale of war-tax stamps, and they are including that in their $2,000,000 surplus. The result is that if we cut out of their figures the $4,000,000, which they got from the war-tax stamp, there would be a deficit at the end of nine months of $1,700,000, instead of a surplus of $2,300,000. The result of all this goes to show that my hon. friend the Minister of Finance, instead of taking this money, which the people of Canada paid on the supposition that they were paying it for war purposes, and appropriating it for war fund account, as he should have done, permits the Post Office Department to treat it just the same as the revenue from any other stamps sold in the post office and absorb it into their fund and charge it up in their account; and if there is no surplus in the Post Office Department on the 31st of March, my hon. friend gets nothing for the war.

Mr. STEVENS: Yes, but there is a surplus.

Mr. MACDONALD: My hon. friend does not know whether there is going to be a surplus. He has some figures, but not all of the figures. We are told that there was a surplus of $2,300,000 in the Post Office Department for the nine months, including the war tax, the amount of which my hon. friend cannot tell us. If $4,000,000 was derived from the sale of war tax stamps, then in that particular year they derived their surplus from the sale of the war stamps. Had it not been for this additional revenue there would have been a deficit of $1,700,000—and all the returns are not in yet. All my hon. friend has done is to prove exactly the statement I made. My hon. friend the Minister of Finance, instead of getting a large revenue from the sale of war tax stamps, is not going to get a cent; it will all be absorbed by the Post Office Department, and instead of going to pay interest on the debt, as the people of Canada were led to believe, it is being appropriated by the Postmaster General to run the Post Office Department.

Mr. BURNHAM: Why do you not back up your statements with facts?

Mr. MACDONALD: My hon. friend has wakened up again. He is usually dreaming about——

Mr. BURNHAM: No, it was only a nightmare.

Mr. MACDONALD: My hon. friend has one of these nightmare spells of his every once in a while. My hon. friend has been sleeping so far, he has not followed me when I have shown that the Minister of Finance has allowed the Postmaster General to take away the money derived from the sale of war tax stamps, instead of leaving it in a fund where he could use it to pay the interest on the war loans. The Minister of Finance knows it, and the House knows it. My hon. friend does not want to bear the onus of this situation. I can quite understand that he would not; but there is the fact, and it is useless to deny it.

I wish to refer to a suggestion the hon. member from Vancouver (Mr. Stevens) made with reference to the attitude of hon. members on this side of the House towards labour. My hon. friend is the last member in this House who should talk about labour. So long as the Liberals were in power, he denounced the right hon. leader of the Opposition (Sir Wilfrid Laurier) to the labour men for having vetoed the fake legislation that he and his Conservative friends were passing in the Provincial Legislature. The moment responsibility came, my hon. friend evidently forgot all about a white British Columbia. But the labour men of British

Columbia have found out my hon. friend and gentlemen like him, as was shown in the attitude of the labour leaders in British Columbia towards the Conservative party in the elections held there within the last few weeks. So it does not lie in the mouth of my hon friend to talk to anybody about labour.

Mr. STEVENS: My hon. friend raised the question; I did not.

Mr. MACDONALD: I said nothing about the labour question.

Mr. STEVENS: You certainly did.

Mr. MACDONALD: Not at all. We on this side have no fear of a comparison of records in regard to the treatment of the subjects of the great nation which is one of the most valued allies of the British Empire in this war.

Sir ROBERT BORDEN: A word in regard to what my hon. friend from Pictou (Mr. Macdonald) has said. He seems to have a remarkable idea of the operations of the Post Office Department, or any other department of this Government Apparently, as far as I understand his argument, he imagines that when the Post Office Department has a surplus of $1,000,000 or $2,000,000 or $300,000,000 at the end of a year, it takes that and locks it up in the safe, and appropriates it the next year for the purposes of its expenditure.

Mr. MACDONALD: I took an entirely different view, and my right hon. friend must know it. I said it was the Minister of Finance, because he gets the surplus.

Sir ROBERT BORDEN: All I have to say is that if my hon. friend did not mean that, he meant nothing; because the Minister of Finance has stated over and over again, and every one in the House except my hon. friend knows it, that when there is a surplus in any department of Government, that surplus goes into the consolidated revenue fund and——

Mr. MACDONALD: I said so.

Sir ROBERT BORDEN: —and is available for all the purposes of the country.

Mr. MACDONALD: I said so.

Sir ROBERT BORDEN: Then, if he said that, he argued precisely the opposite to that, because he declared that this surplus was to be used for the Post Office Department and for nothing else, and was retained by the Post Office Department. His argument, outside of that, was absolutely futile If he was under the impression that the surplus was so used, then there was something in his argument; if he was not under that impression then he has simply been wasting the time of the House in what he has said, because there is no point in it, apart from that. The Minister of Finance imposed a tax, which has assisted in bringing about a surplus for the present year of $3,000,000, so far as can be estimated, in the Post Office Department. That surplus goes into the general revenue of the country, and is there available for the purposes of the country, and among other purposes for the purpose of carrying on the war.

Sir THOMAS WHITE: For the payment of interest.

Sir ROBERT BORDEN: For payment of interest on war loans.

Sir THOMAS WHITE: And pensions.

Sir ROBERT BORDEN: Yes, pensions, or anything else. This surplus is simply so much additional assets in the public revenue of this country for all purposes, including the purposes of the war. That is the whole fact about it, and it makes not the slightest difference whether it goes into the account of the Post Office or of the Railway Department, or of any other department; the main, essential fact is that the money is there as the result of certain taxation, and, being there, is available for the purposes of the war.

Mr. MACDONALD: But if there was a deficit in the Post Office Department, there would be no money for the war.

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

The House resumed at eight o'clock.

PRIVATE BILLS.

THIRD READING.

Bill No. 28, respecting the Kettle Valley Railway Company, and Vancouver, Victoria and Eastern Railway and Navigation Company.—Mr. Green.

CONSIDERED IN COMMITTEE—THIRD READINGS.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Bill No. 25, to incorporate the Western Canada Telephone Company—Mr. Green—in committee.

On section 9—acquisition of business of other companies:

Mr. OLIVER: In regard to this section, I would like to understand whether it is contemplated to empower this company to acquire telephone properties within the limits of other provinces than British Columbia.

Mr. GREEN: No, that is taken care of in a following section.

Mr. OLIVER: If it is taken care of in a following section, we might allow the clause to stand until we reach that section.

Section allowed to stand.

On section 9a—sale, lease or amalgamation with other companies; sections of Railway Act to apply:

Mr. OLIVER: What is the meaning of the application of these sections of the Railway Act to this telephone company?

Mr. STEVENS: I have forgotten just now, but this addition was made at the request of Mr. Lighthall, representing the municipalities of Canada.

Sir ROBERT BORDEN: With regard to the use of streets, there are some clauses in the Railway Act making it necessary to obtain the consent of municipalities.

Mr. OLIVER: I would like to be certain on that point. That might stand until we deal with the other clause. I do not wish to interfere with the Bill if it does not apply to the province of Alberta, but if it can be considered as reaching Alberta, I wish to be particular about this point.

Mr. STEVENS: I suggest that you read clause 17, then, Mr. Chairman.

On section 17—restriction as to line in Prince Rupert and in certain provinces:

Mr. OLIVER: I observe that section 17, which is intended as a saving clause, covers the point that has reference to Alberta, in so far as the construction of new lines is concerned; but it does not cover the point of the acquiring of existing lines or rights in other provinces. I think that is important.

Mr. STEVENS: The words "operate and maintain" would cover that.

Mr. OLIVER: I do not think so, because these words are subject to the word "construct." That is the only question I wish to raise in regard to the Bill, and, if it is agreed on the part of the promoters to accept that principle, I would ask that the point be made definite in this particular section.

[Mr. Green.]

Mr. BLAIN: I think this clause would cover it. They could not operate a line in other provinces without first procuring the consent of the legislatures, and, not having the power to operate, there would be no use of purchasing a line in those provinces. Whether it covers the point or not, it was discussed very fully in committee, and the committee decided that the clause did cover the point raised by the hon. member for Edmonton.

Mr. OLIVER: I would be inclined to disagree. I think that the words "operate or maintain" are subject to the word "construct," and it would be so construed. There would be no harm done by making the provision that I suggest. I respectfully suggest that such an amendment be made.

Mr. BLAIN: There would be no objection to covering the point mentioned by my hon. friend.

Mr. OLIVER: While the Provincial Government of Alberta owns and operates a provincial telephone system, the city of Edmonton has a system of its own, which it had established before the province undertook the operation of telephones. There are also other private enterprises occupying territory that the Government has not yet entered upon. It is not desirable that this territory should be occupied by an outside telephone company except with the consent of the Government of Alberta.

Mr. BLAIN: The counsel had that matter before him, and he understands that it is fully covered by this clause. If this company proposed to purchase in the province of Alberta or the province of Saskatchewan any line which is now in operation, they would have to do it subject to this Bill, and the Bill would not allow them to operate the line without first obtaining the consent of the Government. Therefore, it would be useless for them to purchase a line in Saskatchewan or Alberta unless they had the right to operate it.

Mr. OLIVER: I may be wrong, but my reading of the Bill is that it provides that they shall not operate or maintain the line they have constructed, but it does not provide that they shall not operate and maintain the line they have purchased.

Mr. BLAIN: There is no objection on the part of the promoters of the Bill to have that covered if my hon. friend thinks it is necessary.

Mr. STEVENS: This clause was inserted at the request of the hon. member for Strathcona (Mr. Douglas), with exactly the object in view that my hon. friend has, to his entire satisfaction and to the satisfaction of the counsel of the committee, and it was accepted by the promoters of the Bill.

Sir ROBERT BORDEN: I do not think that the words will bear the meaning which my hon. friend from Edmonton puts upon them. They are in the disjunctive—the company shall not construct, shall not operate, shall not maintain, any line of telephone without the consent of the Lieutenant Governor in Council in any of the provinces mentioned.

Mr. OLIVER: I am willing to accept the interpretation of the Prime Minister. There is, however, a further point in regard to section 17 that I wish to draw attention to. The concluding words are:

> But this restriction shall not apply to the construction, operation or maintenance of long distance lines of the company into or through the said city of Prince Rupert or into or through any or all of the said provinces.

The latter words contemplate giving the company the right to construct a long-distance line across the province of Alberta without the consent of the Governor in Council. Now, they cannot construct a line across the province of Alberta without either purchasing a right of way or occupying the road allowances. Therefore, I think it is only reasonable that when we empower them to build across the province of Alberta they should be subject to the consent of the Governor in Council, just as any other telephone line is that is constructed within the province. I do not see why a difference is made between a line that is carried completely across the province, and a line that is carried only into the province.

Mr. GREEN: The object is not to empower the company to build across the province, but to allow them to connect up with the lines in the hon. gentleman's province. They are not looking for local business, but they want to connect their lines up and do a through business. If the hon. gentleman insists, I see no reason why we should not say, "subject to the consent of the Governor in Council." The company is not seeking to construct any new lines, but simply to connect up with the lines already in the province.

Mr. OLIVER: I have no objection at all to the organization of the company, except that when it comes inside the province of Alberta it must in some degree conflict with the conditions existing there. I think that as the principle is recognized in the remainder of the section, we might very well recognize it here by striking out all the words after "Prince Rupert". Then they would have rights within the province subject to the Governor in Council, which is really all that the company requires.

Mr. STEVENS: I should like to point out that at almost every sitting of this House we pass Bills allowing railway companies to operate telephone lines over their systems, and through any provinces. This section specifically prevents the company from operating in Saskatchewan, Manitoba or Alberta without the consent of the Governor in Council. Surely there can be no objection to this company connecting up its lines for long-distance purposes. In the event of their getting consent from the province of Saskatchewan, what objection could there possibly be to their having communication between Saskatchewan and British Columbia, so long as the local business of the province of Alberta is thoroughly protected? We are giving this privilege to dozens of railway companies, and I cannot see any objection to giving it to this company. I think my hon. friend will agree that there has been little danger to the interests of the provinces.

Mr. OLIVER: The situation of a railway company is entirely different. No province is operating a monopoly railway system. Permission to construct a telephone line alongside a railroad is entirely different to permission to construct a telephone line alone. My suggestion was simply to strike out the words after "Prince Rupert." That would leave the matter where it ought to be, namely, that when the company goes into or crosses a province it is subject to the consent of the Governor in Council of that province.

Mr. BLAIN: Perhaps we had better let the section stand for the moment.

Mr. GREEN: The solicitor tells me that section 17 was inserted in the particular shape in which it is now at the express request of the hon. member for Strathcona (Mr. Douglas). It was his opinion that it would be wise to give the three provinces the power to construct long-distance lines. I understand that he is on his way here. As all the rest of the Bill has been put through the committee stage, I think we

had better let this section remain as it is, because the matter was discussed very thoroughly in the Railway Committee. If the hon. member insists, rather than let the Bill stand, I will agree to have the section struck out; but, under the circumstances, I would like to have the Bill go through committee to-night, and, if there is any valid objection, we can deal with it later

Mr. OLIVER: I do not wish to delay the Bill at all, nor to deal lightly with the consideration given to it by the committee, but the greater part of this section clearly contemplates the consent of the Governor in Council of any other province than British Columbia for the extension of telephone lines into that province. That is agreed?

Mr. GREEN: Yes.

Mr. OLIVER: The last line, however, provides that the extension can be made without the consent of the Governor in Council. That is a contradiction in terms, and I may say that I feel very strongly on that point from the fact that the province of Alberta operates its own telephone lines, excepting in the city of Edmonton, which operates its telephone lines. I have been communicated with by the mayor of Edmonton in regard to this Bill. I do not wish to insist too much, but I would withdraw all opposition if the promoter would agree to cut out the words after the words "Prince Rupert": "Or into or through any or all of the said provinces." That would leave the section carrying out its original intent, which I maintain is contradicted by the insertion of those words.

Mr. STEVENS: Would my hon. friend accept this suggestion: Let the Bill go through committee and be reported, and let the third reading stand until he has an opportunity to discuss this section with the hon. member for Strathcona, and then before the third reading that amendment can be made if it is thought desirable. I think the hon. member is really making a mistake in pressing for the striking out of this section.

Mr. OLIVER. I would not feel justified in taking that course. It is as plain as print can make it that the last line of the section contradicts the first part. We want to carry out either the first intent or the last intent, and I certainly suggest that the first intent be carried out and that the words I have read be struck out.

[Mr. Green.]

Mr. GREEN: I have no desire to press this section against the hon. gentleman's views; and, if he is not prepared to let the Bill pass through committee and be reported, and then make an amendment if necessary on the third reading, we will strike the words out now; but I would have preferred to have the Bill go through the committee to-night.

Mr. OLIVER: In the committee is the proper place to make changes of this character, and I would ask the promoter to make the change in the committee.

Mr. GREEN: Perhaps it would be better if we strike out anything at all, to strike out everything after the word " aforesaid," and thus cut out all the restriction part of the section.

Mr. OLIVER: I have no objection to that at all. I am not concerned in that.

Mr. GREEN: I move, then:

That all the words after "aforesaid" in the tenth line of section 17 be struck out.

Amendment agreed to.

Section, as amended, agreed to.

Bill reported, read the third time, and passed.

Bill No. 23, to incorporate the Ontario Niagara Connecting Bridge Company—Mr. German—in Committee.

The CHAIRMAN: There is an amendment, notice of which was given by Mr. Reid, but it does not state whether by addition or in substitution for any section. It appears clear, however, that the intention is to cover section 11, which was eliminated in the Railway Committee.

Mr. PARDEE: I think section 12 of the Bill practically covers the amendment proposed. The amendment is tautological.

The said bridge shall be constructed and located under, and be subject to, such regulations for the security of navigation of the said river as the Governor in Council prescribes.

and so on. Section 12 of the Bill provides:

Notwithstanding anything in this Act contained, the jurisdiction and control of the commissioners for the Queen Victoria Niagara Falls Park in respect to the matters placed under their jurisdiction and control by virtue of chapter ninety-six of the statutes of 1892 of the legislature of Ontario, and the powers of the said legislature in respect of the Niagara Falls Park and River Railway Company, shall continue the same as if this Act had not been passed.

So you see the amendment and the section mean, in effect, exactly the same thing. We as a Parliament pass federal legislation. We must have the power to pass it. I cannot see, then, why we should hamper the Bill with a great deal of verbiage that is not necessary in order to protect the rights of the Niagara Park Commissioners.

Mr. BLAIN: The object of this amendment is to re-insert in the Bill section 11, which was struck out in the Railway Committee. It was stated by the Counsel for the Government that this section was not required, as the point was covered by the Railway Act, and so the committee struck out the section. But on reconsideration it was found that the Railway Act does not cover the point, and so the acting Minister of Railways (Mr. Reid) gave notice of motion to re-insert the clause that had been struck out.

Mr. PARDEE: But does not section 12 exactly cover the point covered by the amendment?

Mr. BLAIN: No, I think not. That point is up for consideration also, and was fully discussed in the committee, and it was decided, in order to protect all the interests concerned, that this clause should be reinserted.

Mr. PARDEE: Did the legal adviser of the Railway Committee take the view that a Bill that is passed in this Parliament being of a Federal character, must have the consent of the provinces, or have we the right to pass legislation here without the censent of the provinces.

Mr. BLAIN: That question was not up for consideration in the form in which my hon. friend puts it. But, I repeat, the minister was quite emphatic, and so was the counsel, that the clause that had been struck out in committee should be reinserted.

The CHAIRMAN: It is intended that this amendment should be the reinstatement of section 11, which was eliminated.

Amendment agreed to.

Mr. T. J. STEWART moved:

That section 10 be amended by adding the following as subsection 2:

"The company shall not construct any of the works mentioned in section 8 in or over any property of the province of Ontario or under the control of the Commissioners of the Queen Victoria Niagara Falls Park without the consent of the Lieutenant-Governor in Council."

Mr. PARDEE: I have the same objection to this as to the other. We are passing Federal legislation, and I do not see why our bills should be cluttered up with words which only have reference back to the provincial legislature. If we have the right to pass this legislation at all, we have the right to pass it wholly.

Mr. T. J. STEWART: The reason the Ontario Government want this amended clause inserted in this Bill is, that they are the owners of six or seven hundred acres of land at Niagara Falls, in that portion of territory that the promoters of this Bill ask the right to construct this railway, 6,000 feet southerly from the northerly boundary of the county of Welland. Now, the promoters of the Bill surely do not expect the Ontario Government to allow them to pass through this beautiful park, which cost the Ontario Government large sums of money, without allowing that Government to have some say about where the road is to be built I might say that the Ontario Government has under consideration at the present time the building of a large power plant in this particular section where the railway is intended to run, and I think the promoters of this Bill should be quite prepared to secure the consent of the Lieutenant Governor in Council to the location of this road. I think it would be ridiculous and most unfair for this Government to allow this Bill to pass without this park land being protected. So far as the bridge is concerned, the regular standard clause will give the necessary protection.

Amendment agreed to.

Bill, as amended, reported, read the third time and passed.

TAXATION OF PROFITS.

The House resumed in Committee of Ways and Means, Mr. Blain in the Chair.

Mr. LOGGIE: If the accounting period of a firm be the 31st January, 1915, will the first accounting period be one year back from that date?

Sir THOMAS WHITE: If the accounting period ends on the 31st January, 1915, the first payment would be in respect of the entire year ending on that date, the next accounting period would be the period ending on the 31st January, 1916, and the next on the 31st January, 1917.

Mr. LOGGIE: The business man would have no option to make it the following year.

Sir THOMAS WHITE: It would be impossible to discriminate, and it is necessary, in our view, that we should get in the period succeeding the war, because large profits are made in that period.

Mr. LOGGIE: A large portion of this period was prior to the war—from August back to the first of that year. The minister has spoken of net profits. I
9 p.m. suppose that means the profits after certain amounts are laid aside for depreciation, and also for bad debts, if there have been any bad debts during the year.

Sir THOMAS WHITE: Undoubtedly.

Mr. CARVELL: Would the minister kindly explain the principle on which depreciation will be allowed in the working of the Act?

Sir THOMAS WHITE: The principle would be the usage in a particular business with respect to the matter of depreciation. My hon. friend, as a lawyer, will know precisely what I mean when I say that the question of depreciation is a question of fact. The depreciation may be more in the case of one class of business than in another; it depends entirely upon the facts of the case. It is obvious that if a business has a certain amount of apparent profits at the end of the year, and on the other hand there has been an ascertainable depreciation in the value of the machinery or plant, that should be deducted in order that the true net profits might be arrived at. Of course, there are elements besides depreciation that enter into the question of net profits; the expenses of the business and interest upon borrowed money are elements as well as depreciation.

Mr. CARVELL: Borrowed money would not be depreciation. If I understand the minister, he proposes to ask the different companies which he imagines would come under the provisions of this Act to submit statements. We all know that companies keep their books in many different ways. Some companies might write off five per cent a year for depreciation; some might write off as much as ten per cent. Take a company like that, and, perhaps, their books would show that their capital was all gone. Of course, it would not be gone, because they would have a valuable plant left. Reserves might be established and used for replenishing the plant. In that case they would take care of the depreciation. In other cases there might not have been enough money around to provide for depreciation. As a matter of good busines, a sum should be set aside for depreciation, but often it is not. It may have been paid out in dividends. In a case like that, would the minister consider that the company was entitled to write off, or reserve, a reasonable amount for depreciation, considering the nature of the business, or would he take the statement as furnished by the company, and the conditions under which the company has been carrying on its business or keeping its books. We know that there are some classes of business that would depreciate to a very much greater extent than others. Take the ordinary manufacturing establishment; probably the depreciation there would not be anything like so much as it would be, say, in the case of public utility corporations. In the case of a telephone company, for example, the depreciation naturally would be very great, because there is a depreciation of pole lines and cross arms, while there is obsolescence of the telephone plant generally. New ideas are coming forward, new switch boards and things of that kind are being introduced. If you take a manufacturing concern, on the other hand, say the Dominion Iron and Steel Company—I am taking that as an illustration—there is not very much depreciation of the machinery for the making of steel rails or steel rods. If I have made myself clear, does the minister feel like laying down any general principles upon which this question of depreciation might be determined in estimatng the taxation payable by a company?

Sir THOMAS WHITE: I draw the attention of my hon. friend to section 5, subsection 3:

> No deductions from gross profits for depreciation or for any expenditure of a capital nature for renewals, or for the development of a trade or business or otherwise, in respect to the trade or business, shall be allowed except such amount as appears to the minister to be reasonable.

Mr. CARVELL: That is the whole question: what does the minister consider reasonable?

Sir THOMAS WHITE: This Act, like any other Act, will be administered by the officials of the Government, the minister of course being responsible as head of the department. No principle can be laid down except this: that depreciation must be considered in estimating the net profits. The question of what is a reasonable depreciation in connection with any business is a

matter to be determined, as the officials may be able to determine, according to good usage in businesses of that character. For example, it may be quite proper in connection with one business to allow 2 per cent or 5 per cent; in others the depreciation may be much larger. It depends entirely upon the character of the business and upon the depreciation which necessarily results from the operation of the machinery and plant. I do not believe that I can give any more definite information than that. My hon. friend knows that depreciation, as I have said, is a question of fact. It seems to me that it is no more difficult to determine what is reasonable depreciation than it is to determine the reasonable value of property. That is determined by assessors all over the country yearly in connection with municipal and other assessments.

Mr. BURNHAM: Is that the principle which the minister is now laying down?

Sir THOMAS WHITE: The principle which I lay down is that the depreciation must be considered to be fair to a business, but as to the precise percentage, I cannot say definitely, because that will depend upon the facts.

Mr. CARVELL: I think that, probably, that is the only answer the minister could give, although I thought that possibly he might have had in his mind some general rules which he could give to the committee, and through the committee to the country, so that companies and persons liable to be assessed all over Canada would have some would have some way of figuring out the matter for themselves. Take two businesses of exactly the same kind; one plant would naturally depreciate to a much greater extent than the other, because it depends upon the degree of permanency with which the plant has been created in the beginning. You might have one plant that would be practically permanent, and another more or less temporary, yet producing the same result in the end. Of course, in the one case, there would be very much less depreciation than in the other. In any case where real depreciation could be shown as the ordinary result of carrying on the business, regardless of what the books showed would he take that into consideration in arriving at the net profits of the concern?

Sir THOMAS WHITE: What we should do is to call upon the companies, such as I think my hon. friend has in mind, for a statement, and in that statement, no doubt, an allowance would be made for depreciation. If that appeared to be too great an amount, it would be within the power of the department to disallow it, and, possibly, to allow a lesser amount. In the first instance we would ask the company or firm to make a return. I fully appreciate my hon. friend's point. Let us take the case, say, of electrical machinery, or of machinery in connection with public utilities; it is subject to very considerable depreciation. Not only that, but the progress of invention has frequently to be taken into consideration. I do not believe I can lay down any general principle, except to say that it is a question of fact, to be determined upon the evidence before us at the time and upon the usage respecting the plants of industrial and other concerns. I think, for example, that a technical expert could inform the department as to what would be a reasonable amount to allow in connection with a certain class of business, or even a particular plant in that business. There might be a greater depreciation in connection with one individual business than in another individual business of the same class; but we would strive to act uniformly.

Mr. LOGGIE: Would the department be willing to accept the last balance sheet prepared by a firm from their books? I do not mean that this should apply to the future, but that it should be taken as evidence of the results of the last year's business. For example, a firm has been doing business in a certain way, and, when it prepares its balance sheet, it writes off what, in its judgment, is the proper amount, and presents its business in the true light to its bankers. If an established business, following its usual practice for years, had written off bad debts and depreciation and given a statement to its bankers, would such a statement for the last year's business be acceptable to the department?

Sir THOMAS WHITE: I would not say that it would be conclusive evidence, but I would say that it would be prima facie evidence, and in all probability such a statement would be accepted; but it would not do for me to say that it must be accepted, because there must be power in the department to say: "We do not agree with what has been done." But, in connection with such a business as my hon. friend has in view, I think I would be justified in saying that there would be a very strong probability of its being accepted.

Mr. LEMIEUX: Would my hon. friend be kind enough to illustrate by example the exact meaning of subsection "c" of clause 2?

Sir THOMAS WHITE: It was brought to our attention after these resolutions were laid before the House that many Canadian businesses, and many businesses such as British, French and Belgian loan companies operating in Canada, are obliged, under taxation measures in the United Kingdom, France, and Belgium, to pay very heavy war taxation in those countries, so much heavier than our war taxation that ours appears trifling by comparison.

Mr. LEMIEUX: Do not be too modest.

Sir THOMAS WHITE: It is a fact. I might tell my hon. friend exactly what was brought to my attention. The amounts which some Canadian companies, and some non-Canadian companies operating in Canada, are obliged to pay in the United Kingdom, France, and Belgium would surprise him. They certainly surprised me. It was felt that, as these companies are taxed in respect to their Canadian business, to add this tax to the taxes they already bear, and whose proceeds go to the same cause, would be to put an oppressive burden on them. Consequently, we thought it would be advisable to insert subsection "c."

Mr. LEMIEUX: How would you do in the case of a transportation company? Suppose the Canadian Northern, or the Canadian Pacific, or any such transportation company having head offices in Montreal, Quebec, St. John, or Halifax, and coming under this measure and having offices in the United Kingdom, France or Italy, were hit there also, how would you arrive at the difference in the amounts taken from them? Would you completely relieve them from the Canadian tax and let them pay on the other side?

Sir THOMAS WHITE: They would be liable under this measure. Let us assume that a transportation company, such as my hon. friend has in mind, were liable here for say $500,000 or $1,000,000; let us assume that they were taxed under the Act that is referred to here for purely war purposes in Great Britain, or in France, to an amount aggregating $250,000, we should deduct $250,000 which they are obliged to pay abroad from the total amount called for by this measure, and they would pay us the balance.

[Sir Thomas White.]

Mr. LEMIEUX: Perhaps I am wrong in my statement of the case, but I have seen in one of the Western papers the statement that the Canadian Pacific would escape the taxation on account of a certain clause in their contract with the Canadian Government exempting them from taxation. Has my hon. friend read that clause and is the Canadian Pacific exempt?

Sir THOMAS WHITE: In my view the Canadian Pacific is not exempt. There is nothing in this measure that is, in my judgment, inconsistent with, or in violation of, the legislation to which my hon. friend refers, and which is contained in the statutes of the year 1881.

Mr. LEMIEUX: What is the exact bearing of that exemption of 1881?

Sir THOMAS WHITE: The section to which my hon. friend refers is section 16 of the Act respecting the Canadian Pacific railway, assented to on February 15, 1881, and it is as follows:

> The Canadian Pacific railway, and all stations and station grounds, workshops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the company shall be for ever free from taxation by the Dominion, or by any province hereafter to be established, or by any municipal corporation therein, and the lands of the company in the Northwest Territories, until they are either sold or occupied, shall also be free from such taxation for 20 years after the grant thereof from the Crown.

My view is that this legislation is not inconsistent with or in violation of the section which I have read. I think it is only fair to say that in so far as I am aware the Canadian Pacific Railway Company is not desirous of escaping the obligation of paying this war taxation. Would the committee oblige me by reconsidering section 2? In the second to the last line of subsection "c" of section 2 I desire to ask the committee to strike out three words, "the profits of." We are exempting the parties liable to taxation to the amount of any tax paid under any legislation for raising revenue for the present war, in force in France, Russia, Italy, Belgium, Servia, Montenegro, Japan, or the colonies or dependencies of any of these countries, in respect of the profits of any business. It was pointed out to me that in France, Belgium and England the war tax is not necessarily in respect of profits as this Bill is. If we strike out the three words the section will read,

"in respect of any business liable to taxation."

Mr. A. K. MACLEAN: Subsection "b" of section 2 is for holding companies.

Sir THOMAS WHITE: Yes.

Mr. LOGGIE: And subsection "a" is to provide that the amount paid under the Special War Revenue Act of 1915 shall be deducted if the banks pay more under this legislation. If they pay less, which Act applies?

Sir THOMAS WHITE: The existing legislation still continues to apply.

Paragraph 2, as amended, agreed to.

On paragraph 4:

That the business to which the tax shall apply are all trades and businesses (including the business of transportation), of any description carried on, or partly carried on, in Canada whether continuously or not except:

(a) the business of any person the capital employed in which is less than fifty thousand dollars, other than a business which, or twenty per centum or more of which, is or has been the manufacturing or dealing in munitions of war or in materials or supplies of any kind for war purposes;
(b) the business of life insurance;
(c) the business of farming and live stock raising; and
(d) the business of any company, commission or association not less than ninety per cent of the stock of which is owned by a province or a municipality.

Mr. LOGGIE: In my opinion this will be the most difficult clause of all to enforce. If I understand the minister correctly, his object is to compel firms that are exclusively engaged in supplying war materials to pay a portion of their profits to the Crown.

Sir THOMAS WHITE: That is right.

Mr. LOGGIE: I wish to draw the minister's attention to the difficulties he is going to encounter when he attempts to enforce this clause. For example, in the Auditor General's Report he will find certain war expenditures. I told the House the other day that the patronage committees gave the names of those from whom prices were to be asked for war supplies and these committees practically decided who should furnish them.

Sir THOMAS WHITE: Surely not.

Mr LOGGIE: Surely. I think I shall be able to prove to the minister that certain firms have been paid for supplying war materials, which, outside of that particular business, have no existence as firms. The individuals composing the firm may exist. I hesitate a little about reading names, but I would draw the minister's attention to page 68 of part ZZ, Auditor General's report which shows that $3,935.67 was paid for supplies for army purposes. One of the items of that amount was 10,046 pounds of potatoes, at 4½ cents a pound, which is about $7 a barrel. I do not believe that this firm exists outside of this particular transaction.

Mr. LALOR: What is its name?

Mr. LOGGIE: Armstrong & Ferguson, of Newcastle. There is now, no such firm in Newcastle.

Mr. LALOR: My object in asking was that a mistake might have been made; these might have been evaporated potatoes. The price is ridiculous for ordinary potatoes.

Mr. CARVELL: There is no doubt about them being ordinary potatoes.

Mr. LOGGIE: If they were evaporated potatoes it would be another question altogether. I am not raising this point, though, on account of the price, but to show the minister the difficulties he will have in carrying out his principle that every firm engaged in supplying war materials shall be taxed if it has made a profit. Now, under this legislation, the firm I have mentioned would appear as a business firm, and obviously they have made an exorbitant profit on these potatoes. I should say the potatoes would be worth from $1.50 to $2 a barrel, depending upon the season, and they were sold at $7 a barrel. I am sure that it is not the minister's intention to allow any firm that is supplying goods to the army to escape this taxation; but if this section is left as it is I believe a great many firms will escape, and I would suggest to the minister that a very much more equitable way would be to have a special tax for all war supplies, on a similar basis to the bank tax of last year. In other words, every firm engaged in turning out war supplies should pay a proportion of the total amount they are supplying, but if the firm comes under section 2 that amount should be deducted. In that way you would cover every firm that is supplying war material, and you would do no injustice to any firm that comes under section 2 of this resolution. I think such a scheme would be more equitable and much more easily operated. How is it possible for a firm to go through its books and separate its sales of war

materials from its total sales? As I understand this resolution, it is to the effect that, if a firm sells in war materials, less than 20 per cent of its turnover, it does not pay anything on its sales of war materials provided it does not earn over 7 per cent profit. That is a fact according to the resolution?

Sir THOMAS WHITE: No.

Mr. LOGGIE (reading):

The business of any person the capital employed in which is less than $50,000—

If they sell over 20 per cent in war materials that does not apply, but if they sell less than 20 per cent, they must, to be liable for taxation, have a capital of $50,000. Is that the meaning of the subsection?

Sir THOMAS WHITE: Yes.

Mr. LOGGIE: Then, a great many firms that supply war materials will not pay one cent, while small firms, such as the firm I have mentioned here, that do not do any other business than to supply war materials, must pay. A firm that supplies twenty or thirty or forty thousand dollars worth of war materials will not pay one cent if it does not have 20 per cent of its gross sales in war materials, and if its capital is under $50,000. Am I right?

Sir THOMAS WHITE: I think my hon. friend's statement is pretty clear. Under these resolutions, as brought down, the taxation was to apply to businesses which had a capital of at least $50,000 , and not to businesses which had a capital of less than $50,000. We made an exception, however, in the case of businesses which dealt exclusively in manufacturing war munitions or in furnishing supplies. The idea was that those businesses were making money directly out of the war, and, in many cases, the profits would be abnormal, although I do not say that that would always be the case. It was drawn to my attention that, as the resolutions were drawn, a firm which had received an order for $500 worth of war supplies, or $26 worth in one case, but which was carrying on its business otherwise as usual, that is to say, not manufacturing for war purposes and not furnishing war supplies, would become liable. That, of course, seemed manifestly unfair, because the war business was such a small proportion of the total business. It therefore seemed to us that we might fairly amend the resolution by providing that, if a company with a capital of less than $50,000 dealt in war munitions or furnished war supplies to an amount not exceeding 20 per cent, it should be allowed to come under the provision exempting companies with a capital of less than $50,000. As we had to fix a percentage arbitrarily, we fixed it at 20 per cent. The business of a company with a capital of less than $50,000 is not likely to be very considerable, and 20 per cent of the gross amount did not seem to give them such a large amount of profit as should deprive them of the exemption enjoyed by other businesses.

Mr. GUTHRIE: I would like to call attention to subsection "d" of section 4, which exempts from the operations of this measure:

The business of any company, commission, or association not less than 90 per cent of the stock of which is owned by a province or a municipality.

That amendment, I think, covers a number of cases in the province of Ontario where corporations are practically owned by municipalities, and I understand the intention of the minister is that such corporations shall not be subject to the tax. I do not think that the exemption is quite broad enough in its language to include all corporations that are operated by municipalities. I have in mind at present a street railway company, an incorporated company, all the stock of which is now owned by the municipality, except a few shares to qualify a board of directors. Such a company would be included under subsection "d" because, as over 90 per cent of its stock is held by the municipality, it would not be subject to the tax; but under the Ontario Public Utilities Act there are a number of corporations created which have no capital stock. They have capital, and capital is subject to taxation under section 2, but that capital is not divided into shares. Under the Ontario Public Utilities Act, any municipality may appoint a hydro-electric commission, a waterworks commission, or a light, heat and power commission, for the operation of the public utilities of the municipality, and that Act declares that those commissions shall be bodies corporate. Now, I would fear that, under this section, they might be subject to taxation unless they were explicitly exempted. I would therefore suggest that words of this kind be added to subsection "d":

Or any municipal public utility commission authorized by any provincial statute.

Sir THOMAS WHITE: I think the point raised by my hon. friend is well taken, and I am indebted to him for drawing my attention to the matter. The city of Guelph owns the capital stock of a street railway company, and it did not seem to me expedient that the tax should apply in such a case, and it also did not seem expedient to me that the tax should apply to a public utility corporation owned by a province. There are two points to which my hon. friend referred. As to the first, I have an amendment to propose which I think will meet the situation. I move:

That subsection "d" of section 4 be amended by adding, after the work "stock," the words "or capital."

If that completely covers what the hon. gentleman has in view, I need not deal with any other point. Did I understand him to say that the expression "company, commission, or association," is not wide enough? I think it is wide enough.

Mr. GUTHRIE: I think the amendment suggested by the minister will cover the case. This applies not only with regard to the city of Guelph, but to all places in which the Hydro-Electric is in operation. These commissioners, under the Public Utilities Act become corporations. They have no stock but they have capital. I think the change will cover it.

Amendment agreed to.

Mr. CARVELL: I do not want to oppose the proposition, but I am surprised to hear that under the Hydro-Electric they make profits of seven per cent. I understood that in Ontario they were getting power at cost. Of course, I have always said, that I know places where private corporations sell electric energy at cheaper rates than it is sold for in Ontario. However, that is their affair.

I wish to mention a point which has been called to my attention in three different cases, and I am sure it will be of direct interest to many throughout Canada. Subsection "a" of section 4 refers to:

The business of any person the capital employed in which is less than fifty thousand dollars.

The question I have to ask would not affect a corporation, and possibly it would not affect a partnership, as it would be assumed that all the property that the partnership hold would be employed in the conduct of the business. But take the case of a private individual who runs a business in which he has not $50,000 invested, and who has also property in other forms—other investments. Would the term "business" in that case cover only the business that the men ordinarily carries on, or would it cover his private property as well?

Sir THOMAS WHITE: I would call the attention of my hon. friend to section 10:

The capital employed in the business of any person other than an incorporated company, shall be taken to be the fair value of all assets real and personal, movable and immovable.

I think that presents no difficulty. If a man had $50,000 invested in, let us say, a dry-goods business, that amount could be easily ascertained. But if he had property outside of his business, that would not be "capital" for the purposes of the Act.

Mr. CARVELL: I wanted the minister's opinion because, as I have said, this matter has been brought to my attention on several occasions. I agree with the minister; I think he has given a proper definition.

Mr. LOGGIE: Why should not the rule apply to an individual as well as to a company? If the company were running a business and had a house in the town rented, that would not be counted the same as in the case of similar property owned by a private individual. Why?

Sir THOMAS WHITE: A company is incorporated for the purpose of carrying on a business. What business it can carry on will depend upon its corporate powers. What it would be liable on would be the net profits made in carrying on its business.

Mr. LOGGIE: I do not think it is a very important point, but I cannot see why a corporation should have more power than a person. A person can carry on a grocery and have a house in the town rented, and the house is not counted part of his capital. But the minister says that if an incorporated company has a house that is part of its capital.

Sir THOMAS WHITE: Why should an incorporated company have a house? If part of its business is the holding of real estate for profit, the house would be a part of its corporate enterprise, part of its business. On the other hand, my hon. friend might own real estate in Manitoba, and he might have a business in the East—and I am told he has a very fine business in the East—but the taxation measure would apply only to the amount of capital he has in the business and not to his property holdings

in Manitoba. But if he were to incorporate a company with power to hold, deal in and speculate in real estate, to carry on a hardware business and run electric tram cars—one of these companies whose charters go through here in a few minutes on Friday nights—we would have to deal with that on its merits and count all its operations as part of its business.

Mr. LOGGIE: The minister deals with a supposed company, but I want him to come down to facts. Not only might a company have a house rented outside of its regular business, but it is a common practice. There are two companies in my own town that have several houses.

Sir THOMAS WHITE: Part of their business.

Mr. LOGGIE: I do not see why the minister cannot be consistent. Why apply one principle to a person and another to an incorporated company? I do not think the point is a very material one, but I would like to see the minister consistent.

Mr. A. K. MACLEAN: In the case of an incorporated company, whose sole business is holding real estate, and having capital of $50,000, there would be no question as to its liability. But take the case of an individual, who owns, say, $100,000 of real estate in the form of buildings. He has no other occupation than the collection of rents. Would he say that that person was conducting a business which, under the resolution, would make him liable to taxation?

Sir THOMAS WHITE: My hon. friend has asked a question about a matter that is within the penumbral region of light and shade, on the one side business and on the other non-business. I should think it would be a question of fact. I do not think any practical difficulty is likely to arise. If an individual were engaged in the real estate business or in buying and selling and renting property—

Mr. A. K. MACLEAN: Supposing he was an aged man of 99 years and could not conduct the business.

Sir THOMAS WHITE: If he was an aged man of 99 years, I would be disposed to let him off altogether. I think if it were his business he would be liable to act, but in the case of a private individual holding some real estate here and there throughout the country and deriving some revenue from it, it would hardly be described as business.

Mr. A. K. MACLEAN: If incorporated it would.

Sir THOMAS WHITE: The point is that when a company is incorporated it is incorporated to do business. Every company is carrying on some sort of business in the exercise of its corporate powers.

Mr. A. K. MACLEAN: It might be incorporated merely to hold real estate and not to deal in it.

Sir THOMAS WHITE: Then I suppose the Act might not apply because it would not earn the necessary amount. But if the property appreciated to such an extent that its earnings were sufficient to bring it within the provisions of the Act, then probably the Act might apply.

Some hon. MEMBERS: Carried.

Mr. LOGGIE: I do not want that clause to carry; that is an awful clause. I think the minister ought not to press clause 4, subsection "a", to-night. The minister has not touched on the suggestion I made to him—and I am making this suggestion merely on the strength of what he has told the committee the object of this legislation is—namely, that those who have made large profits from war supplies should pay a portion of the tax. What I urge is that a very, very large portion of the war supplies, in small amounts, will not pay any tax.

Sir THOMAS WHITE: In small amounts.

Mr. LOGGIE: A very large amount in the aggregate will not pay. I see one firm here in Fredericton who have supplied $4,951.59. If their sales are not 20 per cent of the business they do not pay a cent.

Sir THOMAS WHITE: That is not a very large amount.

Mr. LOGGIE: I know it is not, but in the aggregate it will be a very large amount.

Mr. R. B. BENNETT: Will the hon. gentleman tell me why he should pay?

Mr. LOGGIE: If the minister will accept a suggestion of mine he will pay.

Mr. BENNETT: I want to know why he should pay.

Mr. LOGGIE: The minister said he should pay.

Mr. BENNETT: I want to know why.

Mr. LOGGIE: One of the objects of the legislation was to get at those who supplied material for the war on which they made a good profit. Why would the minister not consider taxing the sales, say, a quarter of one per cent, or one-half of one per cent, or one per cent?—tax the war supplies according to the amount sold. He has records of all these sales, and then he could deduct the amount of the tax so collected from the tax collected under this resolution in each case.

10 p.m.

Sir THOMAS WHITE: My hon. friend is very solicitous for the minister. He stated a while ago that I should be surrounded with difficulties. I desire to tell him that that is the normal position of my official life, and therefore he must not be unduly anxious about it. I did consider the proposal put forward by my hon. friend, which only goes to show that intellects sometimes think alike. It would lead to manifest hardship. In some cases, to my knowledge firms supplied goods at cost; and since the War Commission has been established, from inquiry I have made I am quite sure that the profits have been certainly not abnormal; the profits have been normal, reasonable, and in many instances low. The attempt to tax all parties who have been engaged in manufacturing munitions and supplying goods, on a percentage basis, would lead in some cases to actual loss to those supplying the goods. I did give the matter consideration as I said, and for the reason I have now given I came to the conclusion that it would be unfair and unjust to adopt a percentage basis. Therefore, at the risk of some trouble—because we are born and live to meet and overcome trouble—I thought it proper that the section should remain as drafted, rather than that a percentage basis should be established.

I am going to suggest, as this is Friday night and some members are leaving town, that if the committee feel disposed to pass section 4 with the amendment proposed by the hon. member for South Wellington (Mr. Guthrie), and concurred in by the committee, we should adjourn and take up the matter again on Tuesday.

The CHAIRMAN: Shall this clause carry?

Mr. LOGGIE: No, not carried.

Mr. CARVELL: I thought that the motion of the right hon. the leader of the Opposition relating to shells was to come up on Tuesday.

Sir THOMAS WHITE: I do not know that there has been any arrangement to that effect. If that has been arranged by the Prime Minister and the leader of the Opposition, of course the arrangement will be carried out; but I am desirous of getting these resolutions put through, and I would say that it is the intention to go on with them on Tuesday.

Mr. CARVELL: I have no objection; I was only pointing out that when the House adjourned on Tuesday last that was the understanding.

Sir THOMAS WHITE: If there was an understanding between the Government and the Opposition with regard to going on with the resolution relating to the Shell Committee on Tuesday, of course we shall go on; but if that is not the case, the Government desire to go on with the consideration of these resolutions. It is over a month since the Budget was brought down, and the Government can hardly be considered to have acted unreasonably with regard to the resolutions before the House.

Mr. LOGGIE: I would like to ask the minister if he would not allow that clause to remain over until Monday, and think the matter over? I was very much interested in the minister's explanation that war supplies had been given at cost price. That, of course, I did not anticipate; it puzzled me in a way. After all, and over and above it all, I am persuaded that the suggestion I have offered to the minister is the easiest one to meet, and provides the more equitable way of the two in the interest of all concerned. He would get a considerable revenue from it, and I certainly think it is worth considering.

Sir THOMAS WHITE: I would prefer, if the House concurs in the view, that section 4 be passed, and if, on thinking it over on Tuesday, or when the House resumes consideration of the resolutions, I feel myself persuaded by the arguments of my hon. friend, I will ask the House to re-open the matter.

Mr. LEMIEUX: If a contract for war supplies is given to a Canadian, and is carried out by an American firm, would that American firm be liable to taxation?

Sir THOMAS WHITE: If the contract was carried out in the United States by a United States company it is evident that we would have no jurisdiction to reach that company.

Mr. LEMIEUX: Could the Government not keep from the amount to be paid to the American firm a share of the profits?

Sir THOMAS WHITE: My hon. friend is no doubt aware that we have not paid American firms anything. Everything that has been paid, or will be paid, for contracts placed by the Shell Committee, or by the Munitions Board, is, or will be, paid by the Imperial Government.

Mr. LEMIEUX: I know that the Canadian Government has no jurisdiction over American companies, but in the case of a contract which is given to a person in Canada for war supplies, and which is handed over to an American concern, whether it be to Schwab or to any other concern, the payment is made by Canada. Would the Canadian Government not be justified, when making payment under the contract, in retaining a certain amount?

Sir THOMAS WHITE: My hon. friend is a lawyer of renown, and is acquainted with the principles of international law. He would have to consider the locus of the contract. I do not admit that the Canadian Government have made such a contract, but assume that the Canadian Government did make a contract with an American firm, in the state of New York, or anywhere else in the United States—a contract for the delivery of fuses or of munitions of any kind—upon payment under the terms of an express contract would the Government of Canada be authorized to say: We shall not pay that amount; we are going to deduct a certain amount because we need to raise revenue in the Dominion. My hon. friend will see that international questions would at once arise.

Mr. OLIVER: I do not suppose that the minister would object to those members who have views in regard to this section bringing them forward on Tuesday, even if we consider the section to be passed?

Sir THOMAS WHITE: I have so much regard for this committee that any reasonable request will be met readily and with pleasure.

Paragraph agreed to.

Progress reported.

[Mr. Lemieux.]

On motion of Sir Thomas White, the House adjourned at 10.15 p.m.

Monday, March 20, 1916.

The House met at Three o'clock, the Speaker in the Chair.

REPORT.

Annual Report of the Department of Public Printing and Stationery, for the year ended March 31, 1915.—Mr. Blondin.

GOVERNMENT RAILWAYS—SMALL CLAIMS ACT AMENDMENT.

Mr. J. J. HUGHES (Kings, P.E.I.) moved for leave to introduce Bill No. 65, to amend the Government Railways Small Claims Act. He said: Previous to 1910, any action for a small claim against the Government Railways had to be brought against his Majesty the King in the Exchequer Court upon a Petition of Right. It that year legislation was passed enabling any person who lived along side the Intercolonial railway, who had been injured in his personal property, to bring an action up to $200 in any court of competent jurisdiction, which would mean the County Court. That was amended in 1913 to make the amount $500, and amended again in 1914 to enable any person bringing an action, to sue the general manager of the Intercolonial railway instead of the Managing Board. By some oversight, the original Act did not apply to the Prince Edward Island Railway. There is no doubt that the intention was to make it apply to all Government railways, but, in the Act, only the Intercolonial railway was mentioned. An action was brought in the County Court in Prince Edward Island in January of this year, and plaintiff was nonsuited for that reason. I believe the judgment was correct; legal gentlemen of knowledge and experience have informed me that the judgment in this case was sound. The object of this Bill is to extend the provisions of the Act of 1910, to the Prince Edward Island railway,

Mr. A. A. McLEAN: I may inform the hon. gentleman that the Government are taking action in this matter, and a Bill is being prepared by the law clerk.

Motion agreed to and Bill read the first time.

PROHIBITION OR RESTRICTION OF INTOXICATING LIQUORS.

BILL IN AID OF PROVINCIAL LEGISLATION.

Hon. C. J. DOHERTY (Minister of Justice) moved for leave to introduce Bill No. 66, in aid of Provincial Legislation prohibiting or restricting the Sale or Use of Intoxicating Liquors.

He said: The purpose of this Bill is set forth in its title, but it may serve perhaps to make the explanation of its provisions clearer if, without entering at all into any argument on the subject, I should say a word or two with regard to the motives that have led to its introduction. After a careful consideration of the law and the jurisprudence upon the question of the relative powers of this Parliament, and of the respective legislatures of the province to deal with legislation prohibiting or restricting the trade in, or use of, intoxicating liquors, the conclusion was reached that the legislature of each province, in the absence of Dominion legislation, has ample power to secure to the province, within its own territory, such measure of prohibition, or restriction, as in its judgment, it deems it necessary to enact, looking at the question from the provincial point of view, and with the purpose of bringing about an abatement of such local evils as in the judgment of the legislature may result from the traffic in, or the use or abuse of, intoxicating liquors. We are satisfied that such legislation, within the limits of the provinces, would operate effectively to secure a law, binding upon all persons residing within such provincial territorial limits. That being so, it was considered that a law of the nature of one prohibiting or restricting the use of intoxicating liquors, is one whose actual effectiveness as a matter of fact, depends in very large measure indeed upon its having behind it the general or common consensus of public opinion in the community where it is sought to be applied. The provinces, having in our judgment, the power to enact an effective law—effective within their respective territories—it seems to us that a law enacted by the provincial authority would be very much more assured of having behind it the general public opinion of the community for which it was enacted, than it could be hoped Dominion wide legislation by this Parliament would have in the different provinces.

Upon this last question of the great desirability, indeed the necessity, of a law of this kind having behind it a strong public opinion in the community in which it is sought to be enforced, I think it would hardly be rash to say that there is general agreement among those who have given thought to the subject. It appeared to us, therefore, that in the first place, the best way to secure to each of the different provincial communities, constituting this Dominion, an effective law in itself, and a law that would have behind it, when you come to enforce it, the common opinion of those upon whom it was to be enforced, was to leave the legislatures of the provinces, in the exercise of their powers, to enact such measure of prohibition or restriction, either directly, or after having ascertained the views of the people of the province, as they might deem proper; leaving it for this Parliament to protect such legislation and the enforcement of such legislation, against interference by persons outside of the particular province, and who, being so outside, would not be governed by the laws of that province. This Bill therefore proposes to enact a law forbidding the sending into any province —which has adopted a law restricting the sale of intoxicating liquors—intoxicating liquors to be used or dealt with in any manner in contravention of the law of the province. The effect sought to be obtained is that the provincial law within the province shall not be hampered in its operation and its effectiveness by the action of persons outside of the province.

The first section of the Bill contains this prohibition, constituting it an offence on the part of any person knowingly to send into any province—where a law prohibiting or restricting the use, sale or trafficking in intoxicating liquors prevails—intoxicating liquors to be used or dealt with in any way in violation of the law of the province. Whatever may be the measure of prohibition or restriction that a province has adopted for itself, that measure will be protected from outside interference. Each province will decide for itself to what extent it desires to prohibit or restrict the sale or use of intoxicating liquor, and the legislation we now propose is for the purpose of protecting the effectiveness, within the province, of such prohibitory legislation, by preventing persons outside of the province in any manner bringing about or contributing to the bringing about of a violation within the province of the provincial law.

The second section of the Act makes provision in regard to the burden of proof necessary in order to make the prohibition contained in the first section workable and

effective. Provision for the infliction of penalties is made in the first section.

The third section deals with the question of the place of prosecution, making an offence subject to prosecution either in the place whence the liquor is sent from, or in the place to which the liquor is sent.

The fourth section makes provision enabling, or calling upon, the court dealing with a particular prosecution, to take official cognizance of the law of the province into which it is claimed the liquor was sent for the purpose of a violation of the law of that province. This section is necessary because of the fact that a prosecution being susceptible of being brought in another province, without such a provision, the courts of the province, with which the prosecution is brought, would not, or, perhaps, it would be more proper to say, might not—feel called upon to take, or justified in taking judicial cognizance of the laws of another province. The fifth section contains a definition of intoxicating liquor, or, rather, provides that for the purpose of this Act anything shall be deemed intoxicating liquor that is defined to be such by the law of the province into which it is charged that liquor was introduced in violation of this Act.

As I have said, the purpose of the Act is to make effective, as against outside interference, the enforcement within each province of the law which it chooses to make for itself upon the subject of the prohibition or restriction of liquor. We believe that the effect of the Act will be to attain that purpose. We are leaving to each one of the provinces its liberty of action within the field of legislation in which it has concurrent jurisdiction with this Dominion, and we are, therefore, ensuring that such law as is passed will be so passed as an expression of the views of the community about to be immediately affected by it. We, on the other hand, supply what may be lacking in effectiveness by reason of territorial limitations upon the obligatory nature of the provincial law, a limitation, which, of course, restricts that obligatory nature in its operations to the limits of the province whose legislature has enacted the law.

Mr. MACDONALD: May I ask the Minister of Justice what provisions are contained in this Bill in regard to its enforcement? Upon whom is placed the responsibility of enforcing it?

Mr. DOHERTY: There is no special provision as to who shall enforce this law. We have made it enforceable either at the place whence the liquor was sent from in a non-prohibition province, or at the place to which the liquor was sent. As regards its enforcement, in so far as this Bill is concerned, it is left to the operation of the general laws in regard to enforcement.

Mr. MARCIL: I would like to ask the minister two questions. First, is there any provision in the Bill concerning transportation companies carrying liquor, and, second, what is to be done in the case of a province where a municipality has adopted prohibition?

Mr. DOHERTY: The law prohibits anybody sending, taking, carrying, or bringing into a province which has enacted a law, intoxicating liquor to be used in violation of that law. That covers carriers as well as anybody else. The other question, I understand, was regarding a municipality in a province which has adopted prohibition?

Mr. MARCIL: Yes, for instance, in the province of Quebec 900 municipalities have adopted prohibition.

Mr. DOHERTY: In those municipalities prohibition is in force in virtue of a provincial law. The provision of this Bill is intended to be wide enough, and I have no doubt it is wide enough, to cover the case of sending liquor into one of these districts because it is sending liquor into the province to be used or dealt with in violation of the provincial law. It is the provincial law that makes it illegal to sell liquor in those districts, though that law comes into force only by the vote of the people within the district.

Mr. KNOWLES: Is the Bill along the line of delegating our powers to the provinces, or along the line of legislation which will come into effect on the proclamation or otherwise by the provinces?

Mr. DOHERTY: As I understand it, it is not within our power to delegate our powers to the provinces, and we do not propose to endeavour to do the impossible, even though it were desirable. At all events, there is no question of delegating our powers to the provinces in this legislation. The Bill does not provide for any proclamation being necessary in order to bring it into effect. When we enact this legislation it will be in force, and then it will simply remain for the provinces to enact whatever measure of prohibition within the province

they think proper. The moment that a province has adopted a particular measure of prohibition this Act will be operative at once, restricting the sending into that province of liquor for the particular purpose which the legislature of the province may have forbidden, or may have determined to be illegal in the province.

Mr. KNOWLES: Is it not the minister's personal opinion that the first crack out of the box will result in an appeal to the Privy Council? That is my opinion.

Mr. DOHERTY: I do not know whether anybody will question the constitutionality of this legislation. I cannot foresee whether that will be the first crack or the second crack out of the box. I put the legislation before this House with no doubt in my mind that it is quite within our constitutional power to enact, and I do not think we ought to be deterred from exercising a power which, after careful examination we conclude that we have and which we think it will be in the interests of the country to adopt, simply because somebody may go to the Privy Council to find out whether or not it is constitutional. Every law we pass is subject to that risk, and I do not think that this law is in any greater danger of a result unsatisfactory to us from such a proceeding, than any other law in which I have had a share.

Mr. CARVELL: Are the provisions of the Bill broad enough to exclude the importation of liquors from a foreign country into a prohibition province, or does this apply only as between provinces?

Mr. DOHERTY: Perhaps I did not make that clear. It applies to the importation even from places outside of Canada; not absolute importation pure and simple, but importation for the purpose of the liquor being used in violation of the law of the province.

Mr. PROULX: Then the sender would be liable to prosecution?

Mr. DOHERTY: The sender in Canada would certainly be liable to prosecution, but we cannot get at the sender if he is outside of Canada, and we do not intend to try.

Mr. SPEAKER: I think this discussion would be more in order when the Bill is in committee. Rule 21 says:

No member may speak twice to a question except in explanation of a material part of his speech which may have been misquoted.

I would therefore ask the House to postpone this discussion until we are in committee on the Bill.

Motion agreed to, and Bill read the first time.

PRIVATE BILLS INTRODUCED.

Bill No. 62, respecting a certain patent of Harvey Hubbell, Incorporated.—Mr. Cockshutt.

Bill No. 63, for the relief of Mary Phyllis Lasher.—Mr. Nickle.

Bill No. 64, for the relief of Mabel Mills. —Mr. Douglas.

CHIEF TRANSPORT OFFICER.

On the Orders of the Day:

Mr. TURRIFF: I should like to ask the Acting Minister of Militia whether the report is true that Col. McBain has been appointed Chief Transport Officer for the Militia Department.

Mr. KEMP: No such appointment has been made since I have been Acting Minister of Militia, nor have I heard anything about its having been made previously.

Mr. TURRIFF: Would the minister find out and let me know? Is there any truth in the report that the Minister of Militia has gone to the Old Country, and not to Florida?

Mr. KEMP: I will try to let my hon. friend have an answer to his question about Col. McBain to-morrow. Regarding the Minister of Militia, I have no official knowledge of his whereabouts. There was, however, a press despatch to-day saying that he had arrived in England.

MILITARY DISTRICT NO. 12—SASKATCHEWAN.

On the Orders of the Day:

Mr. McCRANEY: I should like to ask the Acting Minister of Militia whether there is any truth in the report in the Ottawa Citizen this morning that the province of Saskachewan has been created into a military district to be known as District Number Twelve, with Regina as its headquarters. I may say that on Saturday I received the following telegram from the Saskatoon Board of Trade:

Am informed that Saskatchewan has been constituted a new military district number twelve, and have wired Sir Sam Hughes urging that on account of geographical strategic location its headquarters be established at Saskatoon. Kindly use your utmost influence to de-

sired end. Saskatoon is surely the logical point for such headquarters.

Mr. KEMP: I will endeavour to let the hon. gentleman have an answer to his question to-morrow.

ILLITERATE SOLDIERS:

On the Orders of the Day:

Mr. BURNHAM: Is the Acting Minister of Militia aware that a considerable number of our enlisted soldiers are illiterate, and that it is desirable, both in their own interest and in the interest of the forces, when they are communicating in the field, that they should be able both to read and to write. For example, in the 146th Battalion, at Kingston, there are no less than seventy-five soldiers in a class learning to read and write for the first time.

Mr. GAUVREAU: And that is in Ontario.

Mr. KEMP: No report has been made to the department with regard to this matter.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE.

The House in Committee on Private Bills, Mr. Rhodes in the Chair.

Bill No. 29, respecting certain patents of the Pedlar People, Limited—Mr. William Smith—in Committee.

Mr. NESBITT: Will some one who has charge of this Bill kindly explain it? This is another Bill for the renewal of patents. Why do they want these patents?

Sir GEORGE FOSTER: As the Acting Minister of Agriculture is not here, and as the real Minister of Agriculture is also unfortunately out of the House, perhaps it might be as well to allow this Bill to remain until another day when the acting minister will probably be here.

Progress reported.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 46, respecting the Algoma Central and Hudson Bay Railway Company.—Mr. Boyce.

Bill No. 41, for the relief of Lena Pearl Potter.—Mr. Wallace.

Bill No. 42, for the relief of Robert Napper.—Mr. Buchanan.

Bill No. 43, for the relief of Sherwood Norman Hill.—Mr. Douglas.

Bill No. 44, for the relief of Ida May Woltz.—Mr. Boys.

[Mr. McCraney.]

Bill No. 45, for the relief of Cecily Ethel Maude Farera.—Mr. Buchanan.

Bill No. 49, for the relief of Lillian May Dent.—Mr. Douglas.

Bill No. 51, for the relief of Harry Lorne White Cunningham.—Mr. Thomas J. Stewart.

Bill No. 52, for the relief of Henry John Thomas Wardlaw.—Mr. Wallace.

SECOND READINGS.

Bill No. 57, for the relief of Nora Louise Jackson.—Mr. Douglas.

QUESTIONS.

[Questions answered orally are indicated by an asterisk.]

IMMIGRATION—CO-OPERATION WITH THE PROVINCES.

Sir WILFRID LAURIER:

1. Did the Government, in November, 1911, invite the Prime Ministers of the provinces to facilitate the preparation of a scheme of co-operation between the Dominion and provinces, with a view to securing permanency in the flow of immigration?

2. Was a scheme of co-operation submitted to the Government as a consequence of such invitation?

3. Did the Government communicate to the Prime Ministers of the provinces, any of the proposals made in a special report to it as a result of the invitation to them? If so, when, and what was the nature of the proposals?

4. In what year did the Government enter into communication with provinces with a view to greater co-operation between the Dominion and provinces, in furtherance of immigration and land settlement, and what was the nature of the definite proposals of the Government?

Mr. ROCHE:

1. The Minister of the Interior in November, 1911, requested Mr. Arthur Hawkes to confer with the various provincial governments on immigration matters and asked the premiers of the provinces to put Mr. Hawkes in touch with the department concerned.

2. Mr. Hawkes, after visiting the various provinces and the British Isles, submitted a report, which report was placed upon the table of the House of Commons in 1912.

3. A number of copies of the report were sent to the provincial governments on the 29th of May, 1912.

4. 1912. The development of immigration and land settlement has been the subject of formal communication between the Dominion and Provincial Governments at various times since 1912, and the matter is now the subject of careful investigation by the Economic and Development Commission. In addition, at a conference of Im-

migration agents held in the city of Chicago, at which the governments of the three prairie provinces were represented, the subject of immigration was discussed quite thoroughly and steps taken to prosecute a vigorous propaganda in the United States with a view to securing a larger immigration from that country.

PUBLIC WORKS IN YARMOUTH COUNTY.

Mr. DUGALD STEWART:

What amount has been spent in the county of Yarmouth, Nova Scotia, for public works, wharves, breakwaters and blockings, either for new works or repairs to same, during the years 1908, 1909, 1910 and 1911, and what were the respective amounts paid for such works?

Mr. ROGERS: $408,652.20, as follows:

Argyle Head Wharf—		
1909-10, repairs	$ 99 90	
Lower Argyle Wharf—		
1910-11, construction	2,368 48	
Amiro's Hill Wharf—		
1908-09, construction	989 67	
Bourque's Cove Wharf—		
1910-11, construction	939 61	
Bluff Head Breakwater—		
1908-09 construction	2,005 17	
1910-11, construction	2,215 90	
	$ 4,221 07	
Eel Brook Harbour—		
1910-11, construction	649 81	
Chebogue Harbour—		
1907-08, repairs	71 86	
1909-10, repairs	47 75	
1910-11, repairs	6 00	
	128 61	
Cheggogin Point Breakwater—		
1908-09, construction	998 76	
1910-11, construction	1,974 97	
	2,973 73	
Hubbard's Point Wharf—		
1907-08, repairs	1,059 90	
1910-11, repairs	492 75	
	1,552 65	
Kelley's Cove Breakwater—		
1908-09, construction	4,299 99	
1909-10 construction	650 85	
	4,950 84	
Little River Wharf—		
1908-09, construction	2 000 00	
Lower West Pubnico—		
1908-09, dredging	499 97	
1910-11, dredging	1,198 64	
	1,698 61	
Middle West Pubnico—		
1908-09, dredging	500 00	
Morris Island—		
1907-08, repairs	599 88	
Muises Point—		
1910-11, repairs	1,199 48	
Pinckney's Point Wharf—		
1910-11, construction	969 26	
Port Maitland Breakwater—		
1907-08, repairs	199 61	
1908-09, construction	1,840 54	
1909-10, construction	4,000 73	
1910-11, construction	1,872 89	
	7,913 77	
Plymouth Wharf—		
1909-10, repairs	66 41	
Pubnico Head Wharf—		
1908-09 repairs	499 88	
Pubnico West Harbour—		
1907-08, repairs	1,000 00	
Sanford Breakwater—		
1907-08, repairs	200 00	
Tusket Wedge Wharf—		
1910-11, construction	6,001 28	
Yarmouth Harbour—		
1907-08, dredging	26,450 64	
construction	9,098 49	
1908-09, dredging	135,691 88	
construction	1,003 76	
1909-10, dredging	88,972 54	
construction	1,337 46	
1910-11, dredging	92,403 16	
construction	341 90	
	355,299 83	
Yarmouth Harbour (Sallow Rocks)—		
1908-09, dredging	345 39	
1910-11, dredging	620 05	
	965 44	
Yarmouth Buildings—		
1907-08 repairs	177 79	
1908-09, construction	2,847 78	
repairs	72 91	
1909-10, construction	125 00	
repairs	1,053 57	
1910-11, construction	6,114 59	
repairs	472 35	
	10,863 99	

Summary—

	Construction.	Repairs.	Dredging.
1908	$ 9,098 49	$3,309 04	$ 26,450 64
1909	15,985 67	572 79	137,037 24
1910	7,053 65	1,267 63	88,972 54
1911	22,509 08	2,173 58	94,221 85
Total	$54,646 89	$7,323 04	$346,682 27

Totals—

1908	$ 38,858 17
1909	153,595 70
1910	97,293 82
1911	118,904 51
Grand total	$408,652 20

CHARLOTTETOWN MEDICAL OFFICERS.

*Mr. J. J. HUGHES:

1. Who is the Senior Medical Officer in the Charlottetown district of the Militia and Defence Department?

2. (a) How many medical officers are there for the said district, and (b) who is the junior officer?

3. Who is doing the work at present, and what military position or rank does he hold?

4. What salary or remuneration does he receive, and what privileges, if any, are attached to the position?

Mr. KEMP:

1. Lieut.-Colonel S. R. Jenkins (M.O. 4 Bgde. G.A.).

2. (a) Five. (b) Captain J. W. Dorsey, A.M.C., M.O. 105th Overseas Battalion.

3. Lieut.-Col. S. R. Jenkins, Senior Medical Officer, Charlottetown District, and assisting in examination of recruits of anti-typhoid inoculation and vaccination; Capt. J. W. Dorsey, A.M.C., Medical Officer, 105th Overseas Battalion; Civilian Practitioners—Dr. A. A. McDonald, Medical Officer attending troops at Souris; Dr. J. A. McPhee, Medical Officer attending troops at Summerside; Dr. G. A. Stewart, Medical Officer attending troops at Georgetown.

4. The Senior Medical Officer receives pay of rank—$5 per diem. There are no special privileges.

POST OFFICE EMPLOYEES.

Mr. BOULAY:

1. How many permanent and temporary employes were there on the 1st July, 1896, in the following post offices: Montreal, Toronto, Quebec, Winnipeg, Vancouver, Victoria, Three Rivers, Sherbrooke, St. John, N.B., and Halifax, N.S.?

2. How many were there in the same post offices on the 1st October, 1916?

Mr. CASGRAIN:

Office.	On 1st July, 1896.	On 1st October 1916.
Montreal	289	737
Toronto	238	657
Quebec	66	119
Winnipeg	56	273
Vancouver	23	191
Victoria	39	60
Three Rivers	..	8
Sherbrooke	9	20
St. John	56	72
Halifax	47	71

SHERBROOKE POST OFFICE.

Mr. McCREA:

1. How long was the position of postmaster for the city of Sherbrooke vacant?

2. Has a new postmaster been appointed?

3. If so, what is his name? If no appointment has been made, why not?

Mr. CASGRAIN:

1. Since the 12th June, 1914.

2. No.

3. The deputy postmaster being competent to discharge the duties of the office and one of the applicants being on active service at the front, it has been deemed advisable not to make any appointment for the present.

DEEPENING OF St. LAWRENCE CHANNEL.

Mr. McCREA:

1. How many dredges were employed in the deepening of the channel of the St. Lawrence river between Quebec and Montreal, at what is known as Cap à La Roche, in the years 1912, 1913, 1914 and 1915.

2. How many yards of rock, and how many yards of earth were removed each year?

3. How much did it cost per yard for each year, respectively?

Sir GEORGE FOSTER:

1. 1912, 4 dredges; 1913, 3 dredges; 1914, 3 dredges; 1915, 3 dredges.

2. 1912—256,423 cubic yards shale rock cost 32.99c per cubic yard; 92,260 cubic yards hard-pan, containing numerous embedded boulders, cost 38.51c per cubic yard. 1913—366,349 cubic yards shale rock cost 35.28c per cubic yard. 1914—329,156 cubic yards shale rock cost 42.41c per cubic yard. 1915—174,063 cubic yards shale rock; 6,733 cubic yards hard-pan, containing numerous embedded boulders, cost, per cubic yard, for 1915 cannot be given until after the end of the fiscal year.

3. Answered by No. 2.

FARM LABOUR.

Mr. BUCHANAN:

1. Has the Government been asked to assist in securing farm labour from the United States to meet the demand of farmers throughout Canada?

2. If so, is it taking action in that direction and by what methods?

3. Is the Governement aware that the Canadian Pacific railway is said to be offering special inducements to farm labourers to come to Western Canada?

4. Has the Government information as to the number of men required for farm labour in Canada at the present time?

Mr. ROCHE:

1. Representations have been made to the Government in this respect from various sources, but previous to the receipt of these representations the Government had—on account of conditions—undertaken to assist materially in bringing farm labourers from the United States.

2. Yes. Advertising in 5,500 newspapers in the United States and has arranged with transportation companies for a one-cent per mile rate for farm labourers from international boundary to destination. The immigration agents throughout the United States have also been given full instructions in order that they might be able to assist the general movement of obtaining a larger immigration of farm labourers from the United States.

3. In common with other Canadian railway lines, the Canadian Pacific railway is making known the special rates offered to farm labourers from the United States.

4. The Dominion Government is accepting the estimates of provincial governments as to demand for farm help.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Papineau.—For a return showing whether the Government have taken cognizance of the following article published in the Montreal Gazette on November 1, 1915:

"Canadian help comes from Sale of Gift Flour —Foodstuffs not needed by the English Poor were bought for Belgium Relief Funds to aid East Coast—Hon. Walter Long suggested to Canadian Government that $750,000 be allotted, and latter agreed.

"(Special cable from the Gazette's Resident Staff Correspondent.)

"'London, October 31.—'Canada's aid to the east coast towns of England, which are suffering through the war, is the subject of some misconception,' said Sir George Perley to-day. In a statement in the Commons, Hon. Walter Long said that the necessary funds for a Government scheme of help for hotel and lodging house keepers had been generously provided by the Canadian Government. This gave rise to the idea that the Dominion was taking a new step, but the fact is that no money is coming from Canada. Of the flour sent by Canada a year ago to relieve distress in England very little was distributed, as poverty was in no way abnormal. Some 400,000 bags of this flour were transferred to the American committee for Belgian relief, which purchased them. The money paid for this flour being in the hands of the Local Government Board. Hon. Walter Long, as President of the Board, suggested to Sir George Perley that this might be utilized for the relief of the east coast towns where the season had been ruined owing to the lack of railway facilities and the disinclination of the public to visit the east coast because of the possibiltiy of German naval or aerial raids. The Dominion Government acquiesced in this proposal and the sum of $750,000, part of the proceeds of the sale of the flour, has now been allotted for this purpose. Canada's generosity will therefore go to alleviate the distress of a large number of better-class people, who are direct sufferers from the war, instead of the destitute poor, for whom it was intended, but who, it develops, were not in need of it"; whether the said article is accurate; if not, in what respect is it inaccurate.

Mr. Papineau.—For a return showing whether the Government is aware that the following extract from an article was published on the 12th January, 1915. in the Montreal Gazette:

"Distress caused in England by War is negligible—Comparatively small portion of Colonial Gifts used for National Relief—Much went to Belgians—War Office also took large share. Salvation Army has scheme requiring Canadian co-operation.

"(Special cable from the Gazette Resident Staff Correspondent.)

"London, January 31.—Very satisfactory evidence of the comparative absence in England of any distress caused by the war is furnished by a report of the special work of the Local Government Board arising out of the war, which was issued to-day as a White Paper. The action by Noel Kershaw, dealing with the disposition of the gifts from the colonies, shows that only a small part of the goods allocated has been required for relieving the distress of civilians.

"The following is the disposition of the 940,530 bags of flour received from Canada: to the local committees for the relief of distress; 90,474 to the Belgian Refugees Committee, 1,691 transferred to the War Office, 99,760, further offer to the War Office, 300,000 to the Belgian Relief Commission, 443,886; sold, owing to damage, 4,719."

Who had charge of accepting delivery and the shipping of this flour; whether the Government have any information of the shortage of 59,430 bags of flour. alleged in said article; if not, what became of the flour that was short.

Mr. Buchanan.—For a return showing the number of horses bought for remounts in Alberta, the persons from whom they were purchased, and the amount paid for each horse.

Mr. Macdonald.—For a copy of all letters, recommendations, telegrams, reports of officials and other documents relating to the appointment of A. Kastella as mechanical superintendent of dredges, and as to his resignation from said office, and also as to causes and reasons of his resignation or removal.

Mr. Bourassa.—For a copy of all telegrams, letters, correspondence and contracts between the Quebec Harbour Commission and Benjamin Demers, of the parish of St. Nicholas, county of Lévis, concerning the purchase of the St. Nicolas quarry.

Mr. Macdonald.—For a return showing the names of the 54 Canadian officers employed in the Canadian Pay and Record Office, London, and what amounts per month are paid to each of them.

Mr. Buchanan.—For a return showing the reason for the delay in the establishment of the rural mail routes, reported under consideration, in the constituency of Medicine Hat; when these routes were first applied for; whether the applications possessed the required number of signatures; whether tenders have been invited, and for what routes; why the lowest tenders were not accepted, and the routes established; whether any new tenders are being invited for these routes; whether there is a likelihood of any of these routes being operated immediately.

Mr. William Chisholm.—For a copy of all recommendations, letters, telegrams and correspondence relating to the recent appointment of a lightkeeper at Arisaig, N.S.

Mr. Bourassa.—For a copy of all telegrams, letters and correspondence concerning the appointment of Mr. Alfred Gravel, harbour commissioner of Quebec, and concerning all other candidates for the position of commissioner on the Harbour Board of Quebec, to represent the South Shore.

WAR PURCHASING COMMISSION.

Mr. CARVELL moved:

For a return showing the dates, parties, quantities and values of all contracts made by the War Purchasing Commission, so called, from its formation down to the present date.

Sir ROBERT BORDEN: I have information with regard to this which I have already communicated to the hon. gentleman and to the House. There is no objection to the order passing, but I assure my hon.

friend that unless the work of the department be disorganized, it will take a very long time to prepare the return.

Mr. CARVELL: I can only take what the right hon. gentleman will give me.

Sir ROBERT BORDEN: I am giving the hon. gentleman everything that he has asked for so far.

Motion agreed to.

BUSINESS OF THE HOUSE.

Sir ROBERT BORDEN: It was understood, when the debate on the motion which stood on the Order Paper in the name of the hon. member for Vancouver (Mr. Stevens) was adjourned, that we should resume the discussion. If there is no objection, I would suggest that we proceed to consider that resolution now. I mention this before proceeding to make a motion to that effect, because I understood that some of the hon. gentlemen who had notices of motion on the Order Paper desired to speak to them.

Mr. CARVELL: I have the first notice of motion on the Order Paper; it has been there since the first day of the session. It has been reached at least six or seven times during the session. I was asked first by the Acting Minister of Railways to allow it to stand, to which I consented. Then, I was asked by the Minister of Railways on two occasions to allow it to stand, to which I consented; and again the Acting Minister of Railways asked me to allow it to stand. I always like to be courteous and obliging to the minister, but I do not see any reason why I should be asked to allow this motion to stand until the end of the session. It is a matter of a great deal of importance to the province of New Brunswick. Further, I think I am safe in saying that so far as this side of the House is concerned there was no understanding that the resolution of the hon. member for Vancouver should take precedence to-day. Unless there is very strong reason why this motion should not be proceeded with, I would feel like standing on my rights.

4 p.m.

Mr. PUGSLEY: I hope my right hon. friend will not press the motion to-day. The motion of the hon. member for Carleton is one of great importance, by reason of the fact that the Government of the province of New Brunswick now proposes to change all the arrangements which were thought to have been thoroughly understood with regard to the construction of the St. John Valley railway. And the excuse is being put forward in New Brunswick that this Government has declined to carry out the arrangement which it made some three or four years ago, which was announced in this Parliament, and under which authority was taken by the Dominion Government to construct certain bridges across the St. John river, these being an essential part of the St. John Valley railway. The statement is now being publicly made in New Brunswick that it is by reason of this Government going back—

Sir ROBERT BORDEN: It is hardly worth while to enter into the discussion of the resolution itself—

Mr. PUGSLEY: I am speaking of the importance of it.

Sir ROBERT BORDEN: If my hon. friend insists upon going on with his motion, I will not stand in the way; at the same time, it may be necessary for us to sit late enough to-day to give an opportunity for the further discussion of the motion which stands in the name of the hon. member for Vancouver (Mr. Stevens), and which was seconded by the hon. member for Bonaventure (Mr. Marcil).

ST. JOHN VALLEY RAILWAY.

Mr. F. B. CARVELL (Carleton, N.B.) moved:

For a copy of all letters, telegrams, correspondence and contracts between the Department of Railways and Canals or any official thereof, including the officials of the Intercolonial railway, and any member of the Government of New Brunswick, the St. John and Quebec Railway Company or any official thereof, regarding the operation of the Valley Railway, so-called, in the province of New Brunswick, from the first day of October, 1914, down to the present date.

He said: This motion refers to a subject which has been debated in this House on a number of occasions during the last four or five years, but I think there has been no occasion on which it was fraught with so much importance to the people of my province as it is to-day. I am sorry to say it has been made a political football by my hon. friends opposite and their friends in the province of New Brunswick for the past six years, and now we have reached a stage in the history of the transaction which, I think, calls for a frank and open statement, on behalf of this Government, for the information of the people of New Bruns-

wick, who have incurred a liability of about $5,000,000, or who, purely on account of the promise given by the Federal Government and the Federal Parliament, will have incurred a liability greater than that before the transaction is completed.

I am not going into the history of this matter to any very great extent because it has been discussed in this House on a great many occasions, and the condition existing is of much greater importance than the history of it. Suffice it to say, that away back in 1909 or 1910, an agitation was started in the province of New Brunswick to construct a railroad from the Transcontinental railway at Grand Falls to the city of St. John. The proposition first came from the present Minister of Marine and Fisheries who, at that time, was Premier of New Brunswick and it was that if the Dominion Government would operate this railway as part of the Intercolonial system on a 40 per cent basis, that is, by paying to the Goverment of New Brunswick 40 per cent of the gross earnings with which to secure the interest on the bonds, they would guarantee the bonds. The matter was put up to the then Government, and I think I ought to be frank enough to say that the authorities of the Intercolonial Railway objected very seriously to the proposition. They took the ground that it was a much better proposition for the province of New Brunswick than for the Intercolonial Railway. However, it was discussed on many occasions; large delegations came from New Brunswick and we were able to convince the Prime Minister and the then Minister of Railways, and the Government generally, that it was a proposition which had merit, and which should be accepted officially. The proposition was accepted, and legislation was passed in the year 1911. It will be found as chapter 11 of the statutes of that year, and as it is very short, I shall read the whole chapter.

The Governor in Council is authorized to enter into a contract with any railway company already authorized, or which may be hereafter authorized by law, to construct a line of railway from a point on the line of the National Transcontinental railway at Grand Falls, in the county of Victoria, to the city of St. John, in the province of New Brunswick, a distance of about two hundred and twenty miles, the principal and interest of the bonds of which railway company, pursuant to the provisions of chapter 6, of the statutes of the province of New Brunswick, 1910, the Government of the province of New Brunswick has guaranteed, or may guarantee, to the extent of twenty-five thousand dollars per mile, and with the Government of the province of New Brunswick, for the leasing of the said line of railway when completed, with its appurtenances, and for its operation, equipment, maintenance, upkeep and repair by the Government of Canada, as part of the Governmentment Railway system of Canada, for a period of ninety-nine years and for the payment by the Government of Canada to the said province of New Brunswick, or to the said company, each year during the said term of ninety-nine years, of forty per centum of the gross earnings of the said railway as or in the nature of rental thereof: Provided, however, that the said contract shall be entered into only upon the condition that the said railway be constructed upon plans and specifications to be approved of by the Governor in Council upon the recommendation of the Minister of Railways and Canals, and shall be up to the general standard of the said National Transcontinental railway through the said province; provided further that the Governor in Council shall be authorized to enter into a contract, as aforesaid, for the operation of the said railway in sections, when completed and equipped as follows:

(1) From Fredericton to Woodstock;

(2) From Fredericton, south, a distance of forty miles;

(3) Each twenty-five miles thereafter, until the line be completed from Grand Falls to St. John.

The remaining section has reference only to the directors. That Act was passed, I think, in the month of March, 1911, and the General Elections took place in September, 1911, which resulted in a change of Government. Almost immediately thereafter an arrangement was entered into between the present Government and the Government of New Brunswick for the construction of this road. They changed the legislation in many material respects, but I do not intend to spend very much time over that. The new arrangement was entered into in 1912, and it will be found in chapter 49 of the statutes of that year, the substantive part of the statute reviving an agreement previously made between the Government of New Brunswick and the Government of Canada. I wish to read from section 3 of the agreement, because that is the portion of the statute which made the agreement between the two parties, which we in New Brunswick believed they intended to carry out, and in regard to which we are finding a great deal of fault because it has not been carried out. It reads:

The Dominion hereby undertakes and agrees that as soon as the said railway is constructed and equipped to the satisfaction of the engineer or engineers so appointed as aforesaid, between Fredericton and Woodstock, the Dominion will enter into a lease in accordance with the terms and conditions herein agreed upon and to be embodied in the said lease, and that when a further section of the said railway from Fredericton southwards towards Saint John, a distance of forty miles, shall have been constructed and equipped to the satisfaction of such engineer or engineers, the Dominion will enter into a lease thereof and operate upon like terms

and conditions as above mentioned and so on thereafter as each section of twenty-five miles of railway is constructed and equipped, the Dominion will enter into a lease thereof and operate in manner afore mentioned, and when the said whole line between Saint John and Grand Falls is fully constructed and equipped, the Dominion will lease the said line including the said bridges upon like terms and conditions for the term of ninety-nine years, it being understood and agreed that the Dominion will provide the necessary, suitable and sufficient rolling stock for the operation of the said railway and will maintain, repair and upkeep the said railway at its own expense during the whole term of the lease, such lease to contain all the usual and necessary covenants, provisoes and conditions, and the company hereby covenants and agrees to grant the said leases accordingly.

Provided, however, that the Dominion shall not be required to enter into any lease of any constructed and equipped section of the said railway which is not connected with the completed and equipped railway from Fredericton so as to form a continuous line of railway.

I have taken some time to read that to the House, but in order to make it thoroughly plain and understandable, it is necessary to give some information as to the history of the legislation in connection with this undertaking. The old Government passed a law providing for the operation by the Intercolonial railway of this road, when constructed. When the present Government came into power, they changed the thing, not to a very great extent, but providing also for the operation of this road by the Intercolonial, paying to the province of New Brunswick 40 per cent of the gross earnings therof, and providing also, as plain as the English language could provide, that they would enter into a lease for the operation of this road in sections as soon as each individual section was completed. The first section was to be from Fredericton to Woodstock, 62 miles, the second from Fredericton south 40 miles, and it was provided that whenever 25 miles were completed it should become a new section which the Federal Government agreed to lease and operate on these conditions. In order to understand the matter thoroughly it will be necessary to keep that in mind because that is the very important thing which the present Government or the present Intercolonial management, have neglected or refused to do. It is almost impossible to find out either from the Federal authorities, or from the province of New Brunswick, whether any such lease was ever entered into. I may say that my impression is, from my reading and from asking questions—and I have asked a great many of them both here and in New Brunswick—that no such lease has ever been entered into although the Intercolonial Railway, as a matter of fact, has been operating certain portions of this road since about the first of January, 1915.

There is another statute referring to it which I also wish to cite because it plays a very important part in the matter. It is chapter 52 of the statutes of 1914. In order to carry out this work, as it was provided for, that is the road from Grand Falls to St. John, it was necessay to build three important bridges across the river St. John. The first would be at Andover in Victoria county. That bridge would not involve any very serious difficulties because the river is, I suppose, 500 or 600 feet wide, with high banks and a hard bottom and this would simply be an ordinary piece of railway bridge construction. Two other bridges would be necessary, one across the St. John river, probably 50 miles below Fredericton or in that vicinity, and another across the Kennebecasis river a few miles from Rothesay. We do not deny that these are expensive bridges, but we would like to know what the Government has done, and further, we would like to find out the position of affairs, not the exact, but the probable, cost of these bridges, and the engineering difficulties, if any there be, in the way of carrying out the arrangement. Let that be as it may, in 1914, the Minister of Railways and Canals brought a Bill before this Parliament providing for assistance to the St. John and Quebec Railway Company for the construction of these bridges. You may remember that during that year there was quite a stir in political affairs in the province of New Brunswick over the construction of this Valley railway. Certain charges of a very grave character were preferred against members of the Provincial Government by one of the members of the Legislature. These charges were referred to a Royal Commission which investigated the matter very thoroughly and which found that certain irregularities had occurred; that the contractors had paid money to the then Premier; that something like $450,000 or $600,000 had been added to the cost of this road improperly without authority, and for which they would have received Government bonds of the province of New Brunswick giving no returns for them had it not been for that investigation. I am not going into the details of it because it does not affect this Parliament to any great extent. It was, however, a pretty rotten mess. I was a little suspicious

about granting any further aid to the St. John and Quebec Railway Company, and I protested as vigorously as I knew how against granting any further aid to this company or to any subsidiary company for the construction of these bridges. After about three or four weeks, the Government announced that they would build these bridges themselves and if any hon. gentleman will look up Hansard he will find that I heartily commended the Minister of Railways and Canals. I told him that I believed that his department would be honest, and that these bridges would be built properly, and that both the Dominion of Canada and the province of New Brunswick would get the accommodation to which they were entitled. I shall not read the whole statute although there are only four sections in it; the important section is section 1:

> The Governor in Council may build the said three railway bridges including all necessary approaches and appurtenances; and the said bridges, approaches and appurtenances shall belong to and be the property of His Majesty.

The second section provides that the minister may enter into an agreement with the Government of New Brunswick and the St. John and Quebec Railway Company for the operation of these bridges and that for the first fifteen years the province of New Brunswick and the railway company were to pay nothing in so far as these bridges were concerned. After the expiration of the fifteen years they were to pay a certain proportion of the earnings, but that is not very particular. The main thing is that this Parliament authorized the Minister of Railways and Canals, and this Government, to build these three bridges and we believed in the province of New Brunswick and I am of the opinion that Parliament and the Government did believe it, that it was the intention to have them constructed, and that would end the troubles which have been so rampant in New Brunswick for the last four or five years over this railway matter. I always had some doubts about the bona fides of the Government of New Brunswick with regard to this transaction. I do not go so far as to say I have any doubts about the bona fides of this Government; in fact, I would almost take the opposite view. I believe that the great majority of the members of this Government were absolutely bona fide in what they were doing. I believe that they intended to operate that road when constructed and I believe they intended to build these bridges. But the tempter has been at work very assiduously for the last three or four years and something has happened. What has happened is the very thing that I would like to find out and that is my object in discussing this motion to-day. I only wish that the Minister of Railways and Canals had been here to give us the real history of the transaction and tell us exactly what has taken place. Somehow or other there has always been a feeling in New Brunswick from the beginning, or rather from the year 1910, that the Government of New Brunswick were not sincere in the professions, in the legislation, in the contracts and in the things which they were doing regarding this Valley railway question. That is a very harsh statement to make but I know that I am voicing the sentiments of every Liberal in New Brunswick and I think I am voicing the sentiments of three-quarters of the Conservatives of that province, when I make that statement. We have always said that there was something about this that was not straight, manly and upright; that something was being held back, and that the people had been deluded and deceived from the very beginning. Those sentiments have been voiced in this House by myself and my colleagues on at least one, I should think a dozen different occasions. The Minister of Railways (Mr. Cochrane) and I have discussed this matter on many occasions in this House. I have also discussed it with my hon. friend the Minister of Marine and Fisheries (Mr. Hazen), who I notice is conveniently absent to-day. I voiced my sentiments to him in the House, and I have his pledge on Hansard in language as strong as he could possibly make it. We discussed this matter first in the House in 1912, on an amendment proposed by my hon. friend the member for Victoria and Madawaska. Before the old Government went out of power a subsidy had been voted for the building of this road from Grand Falls to St. John, and in 1912, when the subsidy was being renewed, this Government dropped off the twenty-five miles from Andover to the Transcontinental, and renewed the subsidy only from Andover to St. John. That looked very suspicious to us at the time, and we did not hesitate to say so, and practically every hon. member from New Brunswick in the House at that time spoke in the debate. We discussed it in all its moods and tenses, and told this Government that we did not think they were sincere

when they dropped that portion of the subsidy from Andover to the Transcontinental. I should like to read a portion of the discussion I had at that time with the Minister of Railways, and which is found on page 6384 of Hansard, March 28, 1911-12. After pointing out my fears with regard to the dropping of this portion of the subsidy, and saying that I did not believe they intended to carry out their pledges, I used these words:

> Do you wonder that we are a little suspicious and a little in fear that the declarations of the intentions of the railway company and the declarations of the intentions of the government of New Brunswick up to last May will be carried out.
>
> Mr. Cochrane: Have no fear.
>
> Mr. Carvell: We have our fears.
>
> Mr. Cochrane: Have faith.
>
> Mr. Carvell: Perhaps, if my hon, friend knew as much about this matter as we do, he would not have as much faith as he has at the present time. It is in order to ensure the construction of this road and to put it beyond peradventure, that I am supporting this amendment. We believe that if they are allowed to go on as they are doing, nothwithstanding the good intentions of my hon. friend, the Minister of Railways and Canals the results may not be satisfactory. I give my hon. friend credit for having good intentions, but he is not above temptation and I can assure him that the tempter will be so strong, that I do not believe that he, even with his forcible character, will be able to withstand him, and it is in order to remove my hon. friend from danger of that temptation, that I support this amendment.

Then, on page 6387-8, the Minister of Marine and Fisheries, after referring to these very remarks of mine, used the following language:

> Now, coming to the really important question involved in this, as to the road going to Grand Falls, I am as certain as I am standing here that the road is going to Grand Falls, and I do not believe there is a particle of doubt in the mind of the government of New Brunswick but that that road is going to Grand Falls. The subsidy is voted for a road to Grand Falls, and the Government is authorized to operate the road from Grand Falls to the city of St. John, and the contract entered into in specific terms sets out that such will be the fact. The Minister of Railways has arranged the terms of the contract with the representatives of the government of New Brunswick and the company, and my hon. friend the minister will have no hesitation in telling the House that that road will be operated and built from Grand Falls to the city of St. John, and neither the New Brunswick government nor this government could tolerate for a moment a condition of affairs under which the road would be built to Andover and suddenly stop therewithout having the advantage of a connection with the Transcontinental at some point in the county of Victoria at or near the village of Grand Falls.

If it were possible for a stronger statement to have been made by a minister of the Crown, who also happened to be the former Premier of New Brunswick who had launched this proposition, I should like to know what stronger language he could have used. It may surprise you, Mr. Speaker, that even after that forcible declaration by the Minister of Marine and Fisheries there were doubting Thomases in New Brunswick, who did not believe that the Government of the province of New Brunswick would carry out their pledges. I do not by any means say that the Minister of Marine and Fisheries was deceiving the House, but we had not faith in the Government of New Brunswick. That was before the explosion took place in 1914, but we knew just who they were almost as well before the explosion as after, only they were not exposed to the public till 1914.

Mr. COPP: Then they were caught with the goods.

Mr. CARVELL: From the beginning of this railway project there was nothing but insincerity, delusion, and deceit on the part of the Government of New Brunswick as to what they were going to do and what they were not going to do with regard to the construction of this important railway. I have one more citation to make before leaving that branch of the case, and it is from the remarks of the Minister of Marine and Fisheries in the discussion that we had in the House with reference to the offer of this Government to build the bridges to which I made reference some time ago. You will find these remarks in Hansard of April 28, 1914, page 3018. Mind you, two years had gone by since the declaration of the Minister of Marine and Fisheries that this road would be built to Grand Falls; two years after he had used the words I have already quoted, namely:

> Neither the New Brunswick government nor this government could tolerate for a moment a condition of affairs under which the road would be built to Andover and suddenly stop there without having the advantage of a connection with the Transcontinental at some point in the county of Victoria at or near the village of Grand Falls.

Two years had gone by. The province of New Brunswick, acting through the St. John and Quebec Railway Company, had commenced the construction of the road, and had partially constructed about 120 miles of it. But still we did not believe that they were sincere. Coming back to this House after the charges had been laid in the Provincial Legislature, I again stated that I did not believe the Government of New Brunswick were sincere and intended to

build the road through to the Transcontinental, and the Minister of Marine and Fisheries then used these words (page 3018):

> The speech of the hon. member for Carleton might be read in two ways. To a certain class it could be said: The hon. member for Carleton is entirely opposed to having these bridges built at all. Is the hon. gentleman sincere and candid in the statements which he has made to the House to-day? Is the hon. gentleman not still playing the game that he has played for so many years of trying to prevent the Government from coming to the aid of this road, and to the aid of the province and making provision by which these bridges shall be built and without which the rest of the road is an impossibility? The hon. gentleman has also referred to the question of the connection at Grand Falls. There is no doubt in the world that there will be connection at Grand Falls with the St. John Valley railway. The only doubt about the matter in the mind of the Minister of Railways and Canals is whether it will be necessary to build a bridge across the river and to build twenty-five or thirty miles of railway, or whether the same result can be attained without any such expenditure by obtaining running rights from Andover to Grand Falls over the existing line of railway and which, in large measure, would be paralleled if a new line were built. A year ago there was no doubt, and there is no doubt today, but that the railway known as the St. John Valley will connect at Grand Falls with the Grand Trunk Pacific and be in a position to receive from that railway western freight at Grand Falls to be hauled over the road and shipped out of the port of St. John, and also to carry freight from the port of St. John to Grand Falls.

There, again, Sir, you have the same positive, explicit declaration on the part of the Minister of Marine and Fisheries that this road would go to Grand Falls, but there was just this little difference: Two years had rather undermined the hon. gentleman's assurance because, while in 1912 there was not a particle of doubt that the road was going straight through to Grand Falls and connect with the Transcontinental, in 1914, a little doubt had come over the hon. gentleman's mind because he was not sure whether it would be better to construct a new road crossing the river at Andover or to utilize the Canadian Pacific railway tracks from Perth or Andover up to Grand Falls; but the one or the other would happen without the shadow of a doubt, and I was chided, as I have been chided by my hon. friend for the last five years, and the people of New Brunswick were told, as they had been told for two years before that, that I was trying to throw every possible obstacle in the way, but that, with all my obstruction and with all the obstacles that I was putting in the way of the Government of Canada, they would persevere to the end; they would build that road; they would build those bridges; they would make the connection and they would give to the people of New Brunswick that which they had promised them.

This story has been told in this House, in the New Brunswick Legislature, on the hustings of New Brunswick and in every Tory paper for so long that one would almost be forced to believe that Carvell and Pugsley had horns and hoofs; that they did not belong to the human species; that they existed only for the purpose of preventing the construction of this road and preventing the Government at Ottawa from working out the greatest good to the greatest number of people in New Brunswick. But a great deal is to be said for the prophesies of Carvell and Pugsley and for the way in which they were able to foresee what would happen. We had no faith in the men who had charge of the matter; we did not believe they were sincere or honest; we do not believe now they are sincere or honest. The events of the last three weeks have justified our prophesies and our fears to a greater extent than have the fears of any member of this House been justified in the last quarter of a century. In the first place, the construction of this road was never justified; the province of New Brunswick was never justified in putting a dollar into it nor in guaranteeing a dollar of bonds unless the original arrangement had been carried out to the letter, unless this road had gone through to Grand Falls or some other point on the Transcontinental. My own judgment is that Grand Falls is the proper point, but the road must make connection with the Transcontinental in the neighbourhood of Grand Falls in order to get through business, and, without that through business, this railway is one of the greatest political crimes that has ever been foisted upon a free country, the crime of spending over $4,000,000 of our money, and of giving us nothing but a load of debt around our shoulders in the end.

I do not mean to say that this road is not a great advantage to the country through which it passes. It is a great local advantage, but we forced the Government to build a pretty good railroad; in fact, the mechanical portion of the road, outside of the curves and grades, is very good and the expenditure of a little more money on straightening out curves and eliminating grades would make the road a very good one. But the idea of putting on the province of New Brunswick a debt which will amount to $5,000,000 when the road is completed,

and of not carrying out the general scheme of connecting it with the Transcontinental where through business could be obtained, is unjustified from the standpoint both of the province and of the Dominion.

Under the arrangement, as I have read it from the statutes of 1911 and 1912, the Intercolonial Railway or the Government of Canada was to lease this road and to operate it, in sections at first, and as a completed road, when it was completed, and forty cents of every dollar earned were to go back to the province. We argued that in New Brunswick and our opponents did the same, and the people of New Brunswick finally agreed to the proposition on the distinct understanding that forty per cent of the revenue of that road would go to pay the interest on the bonds, and I have no doubt that, if this road went through to Grand Falls and to St. John and made the through connection as proposed, in a short time 40 per cent of the gross earnings would be enough to pay the interest on the bonds. But instead of building the road to Grand Falls; instead of building it even to Andover and taking running rights over the Canadian Pacific railway to Grand Falls, they have built it to a place called Centreville in my constituency twenty-five miles from Andover, and there they have stopped, and it has been announced in papers supporting the Government that it is not the Government's policy to contruct the railway further. They are breaking faith with a very large section of the people of the province as individuals, and they are breaking faith with the whole province collectively, because they are stopping just when they are in sight of that point at which they could carry on a profitable business not only for the Intercolonial Railway, but for the province of New Brunswick, and that is our greatest concern at the present time.

At the beginning of this session I asked a number of questions of the Minister of Railways, and on the 14th of February I received answers to them. I wish to read the questions and answers, which will be found on page 757 of this year's Hansard:

Mr. Carvell:

1. What amount of money has been paid by the Intercolonial railway or the Government of Canada to the government of New Brunswick as their proportion of the earnings of the Valley railway, so-called, down to December 31 last?

Mr. Cochrane:

1. None, but there is due to the province of New Brunswick, under the arrangement whereby the province was to receive 40 per cent of the gross receipts, $18,733.65, accruing during the nine months ended December 31.

Question:

2. Has the province of New Brunswick received 40 per cent of the gross earnings of said railway since the beginning of its operation? If not, what percentage of said earnings has the province received?

Answer:

2. No. From the commencement of operation, January 1, 1915, until March 31, 1915, the arrangement was, that the provinces and the Dominion each should bear one-half of the deficit, if any. Under this arrangement, the province owes the Dominion $2,977.51.

Question:

3. Was an agreement signed between the two governments around the first of January, 1915, or shortly thereafter, for the operation of the said railway on what is known as the 40 per cent basis?

Answer:

3. There was no formal agreement.

Question:

4. Has a new agreement been entered into between the two governments within the last month or six weeks as to the operation of the said road and the distribution of the earnings thereof?

Answer:

4. No.

Question:

5. Under said new agreement what proportion of the gross earnings are payable to the province of New Brunswick?

Answer:

5. Answered by No. 4.

Question:

6. Did the Department of Railways and Canals in the month of December last order the cessation of the operation of the said road to take effect on the 1st day of January instant?

Answer:

6. Ordered cessation of the temporary arrangement which led to negotiations which resulted in the order to continue operation after January 1, 1916, on terms to be arranged.

Question:

7. If so, what were the reasons for such order?

Answer:

7. The non-completion of the road.

Now, Sir, you will bear in mind that I read from the statutes of 1911 and 1912 that the road was to be operated in sections; that, as each section was completed, it was to be operated. The road from Fredericton to Woodstock was completed before January, 1915. The road from Woodstock north for twenty-five miles, which would make

one section, was completed and was in operation before 1st January, 1915. The road from Fredericton south, the next section, which, under the statute, should have been forty miles, I confess, was only carried to the length of thirty-six or thirty-seven miles. That length of construction brought the railway to Gagetown, a bright little town, the shire town of the county of Queens, quite a large centre. And—would you believe it, Mr. Speaker—the Department of Railways of this Government absolutely refused to run a train over that road for nearly a year, on the ground, as they said, that it had not been completed for forty miles, and so did not comply with the agreement. Here was a road which had cost from $38,000 to $40,000 a mile, completed even to the station-houses and the stoves in them, and yet, because it was only thirty-six or thirty-seven miles long, instead of forty miles long, they said it was not completed and they would not carry it on. But they could not use that argument as to the portion north of Fredericton, for it was completed. I do not say "completed" in the sense that an engineer going over it could say that there was not another spike to be driven. In that sense a railway is never completed. An engineer might go over the Grand Trunk from Montreal to Toronto, the finest piece of road in the country, and find a tie here and there to be replaced, or some other little thing to be done, because of which he might report the road as not completed. But to all practical purposes this road was completed north of Fredericton, and it was completed south of Fredericton. They never signed the agreement which they had covenanted to sign, and on the strength of which covenant the people of New Brunswick had voted for the present Provincial Government in the elections of 1912, so that the Government carried every county in New Brunswick except one, and to-day have the support of every member of the legislature save two, the voting being on the pledge that they would complete this valley railway from Grand Falls to St. John, and on the pledge of the Minister of Marine and Fisheries (Mr. Hazen) in this House, which I have read this afternoon, given only two or three months before the elections, that this Government would take the road over and operate it by sections as completed and finally the completed road, and that this Government would see that the road was completed from Grand Falls, and would build these bridges—no, I am wrong, for that legislation was after the election; but there was legislation in 1912 providing for $1,000,000 to assist toward the building of these bridges. So, when the people of New Brunswick voted confidence in the Provincial Government, as they did in every county save one, they did it on the express covenant of this Government that they would build these bridges, or would see to it that they were built, and that the road should be operated, and the province of New Brunswick should be given 40 per cent of the gross earnings to pay the interest on the bonds.

When the road had been in operation for a year, that is, from 1st January, 1915, to 31st December, 1915, instead of entering into a lease as they had agreed, they signed no lease. They had run a very indifferent service, simply a combination passenger and freight train from Fredericton to Centreville and back once a day. On the lower end, from Fredericton to Gagetown, they had run no trains. Last summer they arranged for a train a week, and that service continued up to Christmas. Now, I think, they are running two or three trains a week from Fredericton south. But they never signed the agreement, and never made themselves liable to pay to the province the 40 per cent, and they have not paid that 40 per cent, nor 30 per cent, nor 20 per cent, nor one per cent. The Intercolonial has been operating that road and taking the receipts, and we poor people in New Brunswick are paying interest on $4,000,000 of bonds, while they are getting all the benefit. They admit, however, that under the "arrangement," as they call it, there would have been about $18,733 due to the province last December.

As if that were not bad enough, two days after Christmas every employee on the road received notice that his services would be dispensed with on January 31. Hundreds of tons of freight had been hauled to the different stations of the railway to be shipped, and business was going on. There was a pretty lively time for a while and the wires were kept busy. I do not know what was done, but such a row was raised that the Intercolonial authorities were afraid to carry out their threat, and on the morning of the 30th or 31st December the order cancelling the trains was itself cancelled and the arrangement went on as in the past. But they say in their answer to me that they agreed to continue it on terms to be arranged later on. And the object I had in discussing this question to-day was to find out what terms had been arranged on which they are going to carry on this work. It is

important in the interest of the province that that should be made clear. In the first place, we know that the province of New Brunswick had guaranteed bonds to the extent of close upon $6,000,000. Possibly I may be a little in error in that, but I will explain the exact conditions so far as we know them. We know that away back in 1912 they guaranteed bonds to the extent of $25,000 a mile for 170 miles, a total of something over $4,000,000. These bonds were sold in London and the money was brought back here before the elections of 1912 and placed in the hands of the Prudential Trust Company, of Montreal, the trustees under the agreement between the Government of New Brunswick and the railway company. The company paid out the money on progress estimates by the chief engineer of the road. When we got through our investigation in the autumn of 1914, there was $1,000,000, in round figures, in the hands of the Prudential Trust Company. I learn, by an answer given in the New Brunswick Legislature on Friday last, that something like $700,000 of this money is still in the hands of the company for constructive purposes. But they claim that they had advanced a portion to the Government, which would mean that something like $400,000 of this money would be in the hands of the Government. In addition to nearly $700,000 or $684,000 to be more exact—there is about $170,000 in their hands for the payment of interest on the bonds. So, we have $850,000 anyway of the proceeds of these bonds supposed to be in the hands of the Prudential Trust Company in Montreal. I have discussed that before in the House and have nothing more to say about it. We in New Brunswick sincerely trust, and almost pray, that when the time comes for the company to be called upon for this money, it will be forthcoming. Further than that, we do not go at this time.

We do know, however, that during the whole of the last session of the legislature in New Brunswick the Opposition attempted to get from the Government a statement with regard to the money that had been deposited with the Prudential Trust Company. We were told that they had securities running up to about $2,000,000 representing the investment, but they positively refused to give us a list of those securities. No one in the province of New Brunswick to-day, outside of the members of the Government, have the faintest idea how or when or where or under what conditions this enormous amount of money is invested. We do know that the Government also guaranteed second mortgage bonds to the extent of $10,000 a mile. Whether they guaranteed the whole 170 miles or only the 120 I do not know. It may be that they guaranteed only 120, because while they have guaranteed 170 miles of bonds of the first mortgage issue, they have built only 120 miles of road. Every bond for the 170 miles was sold in London in the month of May, 1912, and the proceeds were brought back to Canada and deposited with the Prudential Trust Company. You will see, Sir, that the province of New Brunswick has guaranteed bonds in this matter to the extent of about $6,000,000. $4,000,000 of this were at 4 per cent; the rest at 5 or better than 5 per cent. I think we would be safe in saying that the average rate would be 4½ per cent, which would be $240,000 or $250,000 a year for which the province of New Brunswick is liable in respect of this railway transaction. We went into this enormous undertaking and we guaranteed these bonds, on the strength of the covenant of this Government, the Minister of Railways and Canals and this Parliament, that these bridges would be built, that the road would go through to Grand Falls, tap the Transcontinental and become a portion of the through line. On the strength of that agreement we belived that 40 per cent of the gross earnings would be sufficient to pay the interest on those bonds. If these conditions are not carried out, and if the road does not become the business proposition that we were led to believe it would become—and which we know it would become if the conditions were carried out—the province of New Brunswick will become liable to an annual outlay of $225,000 or $250,000, less, of course, the small amount that might be raised from the operation of the road as the Government evidently intend to operate it under present conditions. As at present constructed, the road is merely an ordinary branch line of the Canadian Pacific railway. Twenty-five miles below Centreville, which is now its terminus, the road crosses the Canadian Pacific railway. If a car of freight is going to the United States market, it leaves the road at that point and goes by the Canadian Pacific railway. As it is about 450 miles from Centreville to Boston, which is the distributing point of all freight from New Brunswick to the United States, the amount which this road would receive for carrying the freight over that 25 miles would be merely a shunting charge. The amount received for carry-

ing a car of freight would be so small as to be hardly worth considering, and 40 per cent of the gross earnings would be a more bagatelle. If you had 10,000 cars a year going over that road, you would hardly see what it would amount to in the end. Again, the line goes south to Woodstock for a distance of 25 or 30 miles, picks up the goods and either brings them to Woodstock and hands them over to the Canadian Pacilc railway, or carries them to Fredericton and hands them over to the Canadian Pacific railroad. No matter which way you go, under present conditions this road, so far as constructed, is simply a feeder or a series of feeders for the great Canadian Pacific railway system.

'I now come to the propositions which are on foot in the province of New Brunswick, and which, I presume, are the terms arranged between the Government of New Brunswick and this Government. I know that a delegation from the Government of New Brunswick was here last week or the week before, just before the provincial legislature met. They had several conferences with the Minister of Marine and Fisheries, the Minister of Railways, and, I assume, with the Government. Evidently they came to some sort of agreement, because they went home called together the legislature, and, in the Speech from the Throne, stated that legislation would be introduced to provide for the completion of the Valley railway. The Government have announced that they will not build this road north of Centreville; so far as that end of the line is concerned, it is finished, and there is no possible connection with the Grand Trunk Pacific railway. So far as the lower end is concerned, instead of building the bridges which this Government covenanted they would build, they say: Oh, well, an investigation was made by an engineer by the name of Monsarrat. This gentleman, who, I believe, is an engineer of repute, reported that the construction of these bridges would cost an enormous amount of money, and that there was a poor bottom. I am told—and I believe that I am stating the facts—that Mr. Monsarrat never made a boring in his life in the St. John River, and does not know anything about it; that he took the data given him by somebody else, and said that if those data were correct, he did not believe that these undertakings were feasible. I have no doubt that, as an engineering proposition, taking the data as given to Mr. Monsarrat, the conclusion that he arrived at was justifiable. I am not going to reveal confidences, but I want to tell the Government of New Brunswick that if they will produce a report made to them by their own chief engineer within the last three months, they will find that this is a practicable proposition, and that none of the bugaboos and quagmires and fanciful difficulties exist which they say exist. This excuse is only a scheme to get around carrying out their contract with the people of New Brunswick, to get this Government rid of carrying out its contract and to get
5 p.m. the Intercolonial rid of carrying out its contract. If they will let us examine Mr. Maxwell for ten minutes, I know what his statement will be. They may have compelled the man to put something in a report, perhaps, but if we had a chance to cross-examine Mr. Maxwell we would find out what the bottom of the river is like; we would find out that it is not only possible, but practicable, to build these bridges, and to build them for an amount very much less than that estimated by Mr. Monsarrat, and put forward by the representatives of this Government as the probable cost. I do not know any way of getting at this information, because, so far as I know, this Government has not paid any money in the matter. I suppose we might bring Mr. Maxwell before the Public Accounts Committee, but I do not want to go to that trouble. I am taking it for granted that this Government will bring down the papers and that we shall know exactly what kind of report Mr. Maxwell did make. They say that because of difficulties in crossing the river they are not going to take the line to St. John. They have eliminated the upper end at Grand Falls, making no connection with the Transcontinental; now they are going to eliminate the lower end, and run the line down to a place called Welsford, or Westfield—they talk about Westfield, but I think they mean Welsford—and there they are going to tie on to the Canadian Pacific railway. This line, in respect of which the people of New Brunswick have guaranteed bonds to the extent of $6,000,000, starts in a beautiful little country town called Centreville, one of the finest places I know of on the continent of America, and stops at another beautiful little place called Westfield, a summer resort on the line of the Canadian Pacific railway.

And, Sir, that is the kind of road which the province of New Brunswick has got for its $6,000,000, and it is from the business

of that branch line proposition that we are going to receive the money with which to pay the interest on these bonds. Can you imagine a man from our province, no matter what his political affiliations may have been, who knows the conditions as we know them, discussing this thing without evincing a little heat, or at least a little concern for the future welfare of his province? If we were like some other provinces of Canada, it might not be such a serious matter. If we were like the great province of Ontario with its two and a half millions of people; if we had the enormous resources which they possess; if we had the enormous resources of even British Columbia, or of any other province, excepting Prince Edward Island, then we might not be so concerned. But I am sorry to say that our revenue producing resources are very limited. It is true that we have magnificent Crown lands. These are our principal source of revenue outside of direct taxation and of the subsidy which we receive from the Government here. But these Crown lands are being taxed to their utmost capacity, and have been for the last five or six years; that is, the Government are allowing the operatives to cut more timber from these lands than they should allow, with the result that they are becoming depleted to such an extent that, if things go on as they have been doing for the next twenty-five or thirty years, our Crown lands will not produce one-half of the revenue which they are producing at the present time. We have reached the absolute limit of our revenue which can properly be derived from the production of our Crown lands; we have a small amount of coal mining, but it is not very great and yields very little revenue; and, so far as I know, there are no other resources in the province of New Brunswick, outside of the subsidies which we receive from the Dominion Government, except direct taxation. Our population, I am sorry to say, has not increased very rapidly. I think it has only increased to the extent of about 20,000 in the last ten years, and I do not see any great prospects of any very rapid increase in the near future.

Under conditions like these, I do not think any man in the province could sit still when he considers that $6,000,000 have been added to the debt of the province in order to produce a railroad such as I have described. In making this statement I am not finding fault with the railroad itself. It is true that portions of it, north of Fredericton, are pretty hilly and crooked, but it is well ballasted; it is pretty well drained; it has 80-pound steel rails; the ties are all right, and it runs through a beautiful, fertile, and productive country. But it is only agricultural country, and you require an enormous amount of agricultural products in the vicinity of a road like this, to produce business, forty per cent of the value of which will go to pay the interest on $6,000,000.

If we are to believe what we read in the newspapers of New Brunswick, it would seem that there is another scheme on foot. I hope my hon. friend the Minister of Public Works, who, I assume, is going to answer for the Government, will be able to answer this question definitely and positively. It is announced, and it is beyond peradventure, that the railway will not go farther north than Centreville, and not farther south than Westfield, serving an agricultural country terminating at one end at the village of Centreville, fifty miles south of the Transcontinental railway, and at the other at the Canadian Pacific railway, and making connection with it at two points. They say that if they get the money from the Prudential Trust Company, the proceeds of the sale of those bonds will build the railroad to Westfield. When completed, the liability of the province will be in the vicinity of $6,000,000. Of course, in addition to that, this Government has paid a double subsidy on the whole 170 miles, but the Dominion treasury is rich compared with that of New Brunswick, and we are not finding so much fault with that part of it.

In addition to the plan I have outlined, they also state that they are going to build a road from a point seven or eight miles above Fredericton, to the American boundary line at a place known as Vanceboro. I hope this is not true.

Mr. PUGSLEY: It is said that the engineers of this Government have actually been surveying.

Mr. CARVELL: I have heard of a few wild-cat and unreasonable schemes in my lifetime in connection with railroads and governments,—none of us are perfect, and we do not profess to be—but when it comes to asking the province of New Brunswick to build another railroad from a point near Fredericton to the American boundary line at Vanceboro, which must be at least 40 miles distant—I do not see how you can

get from any point above Fredericton to Vanceboro without travelling a distance less than 40 miles—to build a road like that, well, I think we shall have reached the limit of endurance, and the Government shall have reached the limit almost of political impudence. The Canadian Pacific railway has a line from Fredericton to the International boundary line, and a splendid road it is. They give the people all the service which the people could ask for in that vicinity. If you want to go from Fredericton to St. John or to Boston, or to St. John or Woodstock or Edmundston, or to any of the points in the western portion of New Brunswick, you have all the accommodation on the Canadian Pacific railway, which any person could reasonably ask, in conjunction, of course, with the present Valley railway which goes up the St. John river. If you wish to bring a carload of freight from Nova Scotia or from the eastern portion of New Brunswick to Fredericton, you might possibly use the Intercolonial railway, which they do not use at the present time to any very great extent, but they would be compelled to hand the freight over to the Canadian Pacific railway, which would transport it about 67 miles to Vanceboro where they join the Maine Central or American system of railways. I have indicated that the distance from Fredericton to Vanceboro by the new road would be somewhere about 50 miles, 10 miles by the present Valley railway, and the remaining 40 miles by the newly constructed road. I admit that 40 miles is only an estimate, but I know the location pretty well, and I think I am about right in my estimate. I have talked this matter over with the Intercolonial men, and I know that that is their intention. Suppose that you want to bring lumber or fish from northern New Brunswick, or anything which is produced in Nova Scotia for the American market, to Fredericton; of course they can bring it, if we want to make them bring it, over the Canada Eastern portion of the Intercolonial to Fredericton. In other words Fredericton could be made a central point for Intercolonial business going to the United States, but I do not think it would ever pay. I think it would be cheaper and more economical to bring it to St. John, and hand it over to the Canadian Pacific railway. But the Canadian Pacific railway would get the 90 mile haul of that freight, whereas if they brought it to Fredericton, the Canadian Pacific railway would get only the 67 mile haul. Let us see how that works out. You have only to make a simple computation. I think I can give it to show the utter nonsense of the whole proposition. If you are catering for the trade of the northern part of the province of New Brunswick there is not much traffic outside of lumber and some fish. Do not forget that within the last two years this Government has bought 112 miles of railway running from Campbellton, in the northern part of New Brunswick, across the province and striking the American system of railways at St. Leonard's and Van Buren in the state of Maine. The Intercolonial railway is now connected with the American system of railways, from the northern part of New Brunswick, which would take in Bathurst, Dalhousie, Campbellton, and all the northern lumber region. The distance from Bathurst to the American system of railways at Van Buren would be less than the distance from Bathurst to the American system of railways at Vanceboro. But, of course, the freight rate would be a little greater from Van Buren to Boston than from Vanceboro to Boston. From the Miramichi region, which is the greatest lumber producing portion of that part of New Brunswick, the freight rate down to Boston would be some 18 or 19 cents per 100 pounds. I have not looked into it lately but I think I am within half a cent of the actual rate. It is about 550 miles, I suppose, from the Miramichi, or from Newcastle, to Boston, and Boston, I may tell the House, is the distributing point for all freight emanating from the Maritime Provinces for the American trade. That would give you one-tenth or one-eleventh of the freight rate on a mileage basis which would be less than two cents per 100 pounds. Assuming that it would be two cents per 100 pounds, the average weight of a car of lumber will be, say, 50,000 pounds because 12,000 feet of lumber at 4,000 pounds per thousand is the maximum and that would make 50,000 pounds per car. I may be away above it rather than under it because the great majority of the lumber is seasoned and it will not run more than 3,100 to 3,200 pounds per thousand feet. If you take it at 50,000 pounds, and at a two cent rate, you have only $10 for transporting that car of freight from Fredericton to the international boundary line at Vanceboro, and the province of New Brunswick would get 40 per cent, or $4.40, for transporting that car of freight. Talk of building a railway to give the Intercolonial connection between Fredericton and Vanceboro in order that it may be able to quote rates direct

from the point of shipment to the American railway system when all we get is $4.40 as our share for transporting a car load of freight. I assume that it will cost $1,500,000 to build that road from a point 10 miles above Fredericton to Vanceboro, a distance of forty miles. We cannot at the present moment borrow money for less than 5½ per cent. I doubt very much if we province of New Brunswick could get money at 5½ per cent. It is true that we sold some local bonds during last September, October and November at 5 per cent, but it was not a very large amount, the bonds were exempt from taxation which made them fairly attractive for estates, and they were pretty nearly all taken up by people representing estates in the province of New Brunswick. At the rate of 5½ per cent the interest charge would be $75,000 and at $4.40 per car you would require 17,500 cars of goods in the year to pay the interest on the cost of that 40 miles of road. Seventeen thousand five hundred carloads of goods would more than average 58 a day for every working day in the year. Does anybody believe you could produce 58 carloads of freight in eastern New Brunswick every day in the year for the American market? You could not produce 8 carloads per day in eastern New Brunswick for the American market every day in the year. I do not think you could produce 20 carloads every day in the year if you took in the whole of the Maritime Provinces. There is no doubt that on some days you could do a very large business, but there would be weeks when you would have nothing to do at all. If these were all converted into lumber, and fortunately lumber goes into the United States without paying duty, it would take about 200,000,000 feet of lumber more than is produced to furnish the Intercolonial railway with sufficient traffic to pay our share of the interest on the enormous cost of building that 40 miles of railway.

Does the Dominion Government, or the Minister of Railways or the Intercolonial Railway, intend to drive the little province of New Brunswick into a trade like that? If they do, then I have less respect for the Government of New Brunswick even than I have for the Government of Canada to allow themselves to be be driven into a deal like that. The Government of New Brunswick had the solemn pledge of their political friends in Ottawa, and they had the solemn pledge of their political opponents at Ottawa, that the Parliament of Canada and the Government of Canada would operate this railway on a 40 per cent basis, would connect it with the Transcontinental railway at Grand Falls, would build these bridges and would put us in a position to earn sufficient money to pay the interest on the bonds. Any Government in New Brunswick that would allow themselves to be driven into a deal like that deserves the anathema—I would like to say—of this House of Parliament, but I will not say that because it would not be parliamentary; but it deserves—my hon. friend says annihilation. No, annihilation is not sufficient. Turning a Government like that out of power is no punishment whatever for the sins that they have committed or will commit if they allow this transaction to go on.

Now that I have stated the case as briefly as I could, I do hope that the minister will tell us exactly what sort of a trade they have forced upon New Brunswick, and what kind of trade the subservient Government of New Brunswick have agreed to in order to get them out of some of their difficulties. We are asked to add another $1,250,000 or $1,500,000 to our debt. What is our debt to-day? It is pretty hard to say what the debt of New Brunswick is, because it may surprise you when I say that the present Government of New Brunswick will not tell us what our debt is. The Opposition tried during a whole session of Parliament to find out what the debt was. I should not say the Opposition, but I should say that the member from Northumberland, Mr. Stewart, a gentleman who was elected to support the present Government, tried during the whole session of 1915 to find out what our debt was. Would you believe that the Government would not tell him? The people of New Brunswick do not know how many million dollars they owe. We do not know, but if you will take the Auditor General's report for the year ended October 31, 1914, you will see that there was a bonded debt of $8,175,000 or thereabouts. They claim, which I believe is true, that they have a sinking fund amounting to nearly half a million dollars, and we have a little over half a million dollars to our credit at Ottawa. But that still leaves $7,000,000 of a bonded debt. But we know that that does not really represent the actual debt of the province of New Brunswick. We know that they have been issuing bonds by the millions since October, 1914, and I have no hesitation in saying that the bonded debt of New Brunswick is $8,000,000 and probably $8,500,000. In addition to that, we have incurred a debt of about

$300,000 in connection with the railway in the county of Gloucester, which, I am sorry to say, has been closed down and has become a liability of the province. We have $155,000 of bonded debt which we have assumed in connection with the Southampton railway, the railway from which a member of the local legislature cleaned up $35,000 or $45,000 for himself without having returned one cent to the Government.

An hon. MEMBER: What has become of that money?

Mr. CARVELL: What has become of the money? Pinder has got the money yet. A Conservative lawyer in St. John was appointed some time ago to see Mr. Pinder and get that money back, but it is one of those friendly things that does not amount to very much and no proceedings have yet been started. If they can get through this session of the legislature and this session of Parliament without the suit being started that will be the end of it. I understand that Mr. Pringle, the Royal Commissioner, found the amount to be $33,000 or $34,000. As a matter of fact, it was $50,000 that was swiped out of the construction of that road. But that is a small thing in New Brunswick. The Minister of Public Works (Mr. Rogers) is sometimes told that he is a sinner, but I sometimes think he is not to be compared with them. He ought to watch that crowd. As he was handling millions in Manitoba, the small percentage was not so bad, but when you consider what was taken out of the little amount of money that is handled in the province of New Brunswick you must admire the ability of the people down there along the line of taking what does not belong to them.

Mr. ROGERS: Where do you get the percentage in Manitoba?

Mr. CARVELL: I have not figured it out.

Mr. ROGERS: You had better not make any statement until you figure it out.

Mr. CARVELL: We know it approximately.

Mr. ROGERS: My hon. friend was dealing directly with myself. If he is going to make insinuations, I should like him to back them up with a definite statement.

Mr. CARVELL: I was talking about the Government. I do not want to be unpleasant. I thought I was complimentary in drawing such a distinction between the Minister of Public Works and the party in New Brunswick. That was my intention, anyway.

Mr. ROGERS: You were referring to me personally.

Mr. CARVELL: In addition to the two railroads I have mentioned, we know that the Valley railroad will run up to about $6,000,000. When you add these together, I cannot see where one-tenth, or at all events one-fifth part of the interest on that debt will ever be earned by that road, under present conditions. You have there an indirect debt of $6,000,000 anyway, which brings the total debt of the province of New Brunswick up to something like $13,000,000.

Mr. R. B. BENNETT: $26,000,000 in Alberta.

Mr. CARVELL: That is bad enough, but it is not half so bad as New Brunswick with $13,000,000. My hon. friend knows both intimately.

Mr. R. B. BENNETT: I know there is no comparison between the reckless extravagance that characterizes the Government of Alberta, and the decent administration of the New Brunswick Government.

Mr. CARVELL: I am not going to argue that point just now. I am trying to look after the Government of New Brunswick, and incidentally trying to keep this Government straight, as far as that is possible; but when the two get together it's a pretty bad combination. I have tried to point out the financial situation of New Brunswick, in a very hurried manner of course. I have tried to state as accurately as I could the actual position of railway affairs in our province. I have pointed out what we in New Brunswick know: that the Government of New Brunswick, aided and abetted by this Government, have decided not to build this road north of Centreville, and not to build the bridges that would allow of direct connection with St. John. They have decided to make connection with the Canadian Pacific railway either at Welsford or at Westfield. We are told—and it is currently stated all over the province of New Brunswick—that the local Government, at the instigation of this Government, I believe, are to spend another quarter of a million or half a million dollars in building a road from near Fredericton to the American boundary. That road is absolutely unnecessary. It has not even the virtue of gaining political support for the party, for it does not pass through a country that is inhabited; there are not votes along the

line of railway. There is no business for the road. It runs very largely through that granite region through which the Canadian Pacific railway, from Vanceboro east towards Fredericton Junction, runs; not altogether, but very largely. There might be a little business available in small lumber, but only a very small amount. I do not think that the Government of New Brunswick, in view of their experience with railroads during the last two years, want to go on with this road. Therefore, I can come to no other conclusion than that the Government of New Brunswick have been driven by this Government to enter into the monstrous transaction simply to gratify the whim and wish of Mr. Gutelius, the manager of the Intercolonial railway, who wants to have connection with the American system of railways independently of the Canadian Pacific railway. I think those who have known my connection with railway affairs in New Brunswick will know that I hold no brief for the Candian Pacific railway. I have prophesied for the last five or six years that this road was only intended to be a branch line or feeder for the Canadian Pacific railway. On the other hand, I cannot see what earthly reason there is why the province of New Brunswick, in order to gratify the whim of Mr. Gutelius, should be compelled to rush into debt to the extent of $1,500,000 when the Canadian Pacific railway already have a road from Fredericton to the international boundary; and it is as good a road as any they will build, and gives the people in that territory all the accommodation they could possibly require. From Fredericton to Boston there are two first-class passenger trains a day, and from McAdam Junction for all points south, and all points north as far as Woodstock, two trains a day. The Intercolonial railway could not give a better service than that; not as good, I think. Why on earth the Intercolonial railway and the Government of Canada want to force the province of New Brunswick to go into this expenditure is something I cannot understand. I have given the facts, and have given them truly, as I understand them. I am sorry the Minister of Railways and the Minister of Marine are not here, but they knew that this discussion was coming up to-day. At least the Minister of Railways did, for I told him, and I have no doubt whatever that the Minister of Marine and Fisheries knew about it too. I am sorry they are not here, but I hope that the Minister of Public Works or the other minister who follows me will give us certain definite information which I think we are entitled to have. In the first place, has it been decided that this road will not be built north of Centreville? Has it been decided that these bridges across the St. John and Kennebecasis rivers will not be built? Has it been decided to build the railway from its terminus at Gagetown over to Westfield or Welsford, and if so, which? Has it been decided that the Valley railway, so-called, shall not have an independent connection in the St. John valley farther south than Westfield? And, lastly, has it been decided that the province of New Brunswick is to guarantee bonds in order to build a road from a point at or near Fredericton, or ten miles north of it, to a point on the American railway system near Vanceboro? If the minister will answer these questions frankly and fully he will be conferring a great favour upon the people of the province of New Brunswick, for not only his political friends, but his political opponents in that province are taking a very deep interest in this matter. No question in the public affairs of Canada is causing as much real thought in that province as is this question of the future of the Valley railway. Mr. Speaker, I have taken up much more time than I intended, and the importance of the subject is my excuse for having dealt with the matter at such length.

[Mr. Carvell.]

Hon. ROBERT ROGERS (Minister of Public Works): Mr. Speaker, my hon. friend has been fairly mild in his discussion of this matter this afternoon, although at times he has given some slight evidence that he has been nursing his wrath to keep it warm in respect to the railway situation in the province of New Brunswick. I can quite understand my hon. friend, or any other hon. gentleman from the province of New Brunswick, having very serious complaints to make, both in this House and elsewhere, against railway legislation within the borders of that province. But what I wish to take objection to is that my hon. friend ventures to fasten upon the Minister of Railways or upon the Minister of Marine and Fisheries a responsibility for those conditions, the responsibility for which belongs to that side of the House and not to this. As my hon. friend has stated, the people of New Brunswick have had placed upon their shoulders the very heavy burden of something like $5,000,000, if his figures are correct.

I am not in a position to know whether they are correct or not, but for whatever sum of money has been fastened upon the shoulders of the people of New Brunswick in connection with the construction of the St. John Valley railway, hon. gentlemen opposite are entirely responsible and blameable. The people of New Brunswick have a pride in natural development of their province and especially in the development of the national port in that province. A few years ago, when legislation was introduced in this Parliament for the building of a transcontinental railway to carry the trade of Canada to our great ocean ports, it was naturally to be expected that the location of the road would be such as to give not only the people of New Brunswick, but all the people of Canada the advantage of an outlet at their great national port of St. John. The reason why such a location was not determined upon is probably best known to hon. gentlemen opposite. All we know about the matter is what has been stated in this House and elsewhere. If I am correct in my recollection, the Minister of Finance in the previous Government, Mr. Fielding, dealt very fully with this matter, pointing out that the building of a transcontinental railway to the city of St. John would give that port a special advantage over other ports in the Maritime Provinces, and that therefore the line must be so located as to go to the centre of population in the Maritime Provinces, although he claimed that Moncton was not the centre, but that some point in Cumberland county would probably be the proper point. However, in adopting the course which was then adopted, the Government of that day were only following what has always been their policy—that of hanging up a railroad or anything else before the eyes of two or three or four contending parties and then endeavouring from a political point of view to play every end to the middle. That is what they were attempting to do in connection with the construction of the Transcontinental railway so far as the ports of the Maritime Provinces are concerned, and it is as a result of that condition of affairs and of the misplaced location of the Transcontinental railway as determined upon at that time, that the people of New Brunswick, proud of their national port, and of the resources of their province, have assumed this great liability for the construction of the Valley railway which, undoubtedly, was the line that should have been followed by the Transcontinental.

Mr. MACDONALD: In that case, how was it going to get to Nova Scotia?

Mr. ROGERS: It would get to Nova Scotia just the same as it does to-day. You had the Intercolonial railway then, to to take your traffic to Nova Scotia; you have the same to-day, and what was the good of building a transcontinental railway if it was not for the purpose of carrying the traffic of Western Canada to our great national ports in the Maritime Provinces. We, who are interested in this railway outside of the province of New Brunswick, look to St. John as our closest national winter port for the shipment of goods coming from Western Canada. Those are the circumstances which originally placed upon the shoulders of the people of New Brunswick the responsibility for the building of this Valley railway. My hon. friend has taken up a great deal of time in dealing with the local conditions and circumstances surrounding the construction of that railway. He has reflected to some extent upon the Government of the province in which he lives, and I am sorry he has so reflected on my hon. friend the Minister of Marine and Fisheries as to insinuate or imply that that hon. gentleman is not present here to-day because he wanted to be absent as this question was to be brought to the attention of the House by the hon. member for Carleton. Since when has my hon. friend the Minister of Marine and Fisheries ever failed to meet my hon. friend from Carleton or any other hon. gentleman opposite? I know that the Minister of Marine and Fisheries is absent on instructions from the Prime Minister on business of the country which could not be delayed, and I assure my hon. friend that he should not flatter himself by stating that the Minister of Marine and Fisheries was not in his seat to-day because this matter was to come before the House for consideration.

My hon. friend has asked that a frank and open statement of the policy of the Government on this matter should be made. I may say to my hon. friend that we are always frank and open, and that we always endeavour to supply the House with the full and complete information to which it is entitled.

Mr. PUGSLEY: Always endeavour; do you succeed?

Mr. ROGERS: That is what I hope to do to-day, and I hope I shall satisfy my hon. friends opposite in respect to this matter. My hon. friend was very anxious about the construction of the line from Centreville to Grand Falls. From his interest in the matter I presume that the greater portion of that line is within the borders of the constituency which he represents. When hon. gentlemen opposite failed to construct the transcontinental railway along the route which they should have adopted and when, in view of that, the matter was taken up by the province of New Brunswick, it was undoubtedly the policy of the Government of that day, and so far as I know, it is the policy of the Government of to-day, to have that line extended further north to make a connection with the Transcontinental; but, so far as getting a connection with the port of St. John is concerned, this particular portion of the Valley railway does not concern us so much, because the Grand Trunk Pacific have failed to carry out their agreement to take over the Transcontinental railway, and it is therefore being operated by the Department of Railways to-day, and on that account and because the Intercolonial railway has a connection with the Transcontinental at McGivney junction from that down to Fredericton, the portion of the line in which the people of Canada, outside of the province of New Brunswick are particularly interested in, is from the city of Fredericton and from Gagetown down to the city of St. John, for there is no traffic outside of the province of New Brunswick that could be served by extending the line from Centreville to Grand Falls that could not be served otherwise, because we have a connection by way of McGivney junction that is quite as suitable to reach the port of St. John as would be the connection at Grand Falls. As I understand it, it is the desire of the Government of New Brunswick to have this line extended to Andover where the Canadian Pacific railway crosses the St. John river. Now, there is the extension from Gagetown to the city of St. John, and that is what interests this House and interests the people of this country more than the portion from Centreville north to the Intercolonial railway. The line as originally projected from a point on the Intercolonial railway ran to the Mistake on the northwest side of the St. John river, and then to Andover. That was the original scheme, as has been stated by my hon. friend from Carleton, N.B. This scheme involved the construction, as I am informed, of two very expensive bridges. I may say for the information of my hon. friend that the engineers have found that the crossings would be very expensive, that the water there is sixty feet in depth, and that there is a mud bottom.

Mr. CARVELL: They say a hundred feet, down home.

Mr. ROGERS: I give the facts as I have them before me. The reports of the engineers will be brought down in the return which is now in course of preparation, and which will be ready in the near future. I will read correspondence to show the facts of the case and the cost of construction of the bridges referred to by my hon. friend. I gather from the correspondence that, by completing this railway by a different route, the object can be accomplished without the expenditure of nearly $3,000,000 for the construction of these two bridges.

Mr. MICHAUD: Does the minister know whether or not the Andover bridge will be built?

Mr. ROGERS: That is really not settled, as I understand it. Here is a letter from Mr. Brown to Mr. Gutelius:

Moncton, N.B., February 26, 1916.

At Montreal.
F. P. Gutelius, Esq.,
General Manager,
Moncton. N.B.

Dear Sir:

St. John and Quebec railway—Comparison of Routes between Gagetown and St. John.

In accordance with your request, I beg to submit herewith a report showing a comparison of the bridge route and the Westfield route on the St. John and Quebec railway between Gagetown and St. John.

The line from Fredericton to Gagetown, 31·5 miles long, is now completed.

Bridge route.—The bridge route contemplates the extension from Gagetown to a connection with the Intercolonial railway at Rothesay, crossing the St. John river at the Mistake involving a bridge 0·95 miles long, and the additional construction of 41·5 miles of railway, including the crossing of the Kennebecasis river with a bridge 465 feet long and a rock fill 2,700 feet long. The total mileage from Gagetown to Rothesay is 42·49 miles.

The mileage and estimated cost of this line from Gagetown to St. John, not including the St. John river, is as follows:

	Mileage.	Estimated Cost.
Gagetown to St. John river crossing (Dunham's wharf route)	22·47	$ 929,000
St. John river to Rothesay (not including Kennebecasis river crossing)	18.47	1,047,000
Kennebecasis river crossing	0·6	411,000

	Mileage.	Estimated Cost.
Rothesay to St. John (I. C R.)	8·8	.....
To this should be added the mileage of the St. John river bridge (cost not included)	0·95	.....
Totals	51·29	$2,387,000

Westfield route.—The Westfield route along the west side of the St. John river from Gagetown to a connection with the Canadian Pacific railway at Westfield involves the construction of about 37·5 miles of railway.

The mileage and estimated cost of this route is as follows:

	Mileage.	Estimated Cost.
Gagetown to proposed St. John river crossing	22·47	$ 928,000
Proposed St. John river crossing to Westfield	15·03	751,000
Westfield beach to St. John (C.P.R.)	14·7	.....
Totals	52·20	$1,680,000

In comparing the two routes it will be noted that the mileage is practically the same, as well as the rise and fall and curvature, so that there will be very little difference in the cost of operation of these two routes, except for the heavy maintenance and operating charges of the bridges on the bridge route.

If the bridge route were adopted arrangements would have to be made for the handling of St. John and Quebec railway traffic over 8·8 miles of the Intercolonial railway to St. John, as against 14·7 miles on the Canadian Pacific railway via the Westfield route.

With regard to the export traffic to West St. John, the conditions would be entirely different as the Westfield route would have the distinct advantage as it will be 3·5 miles shorter to West St. John than via the bridge route.

The bridge route will involve the construction of four (4) miles additional railway at an estimated additional cost of $707,000, not including the bridge. The Westfield route can also be constructed in much less time than the bridge route.

The local traffic will not be large in any case, but the Westfield route has the distinct advantage in this respect.

Yours truly,
C. B. Brown,
Chief Engineer.

Mr. Gutelius wrote to Mr. Monsarratt asking his opinion and advice. His letter is as follows:

At Montreal. February 26, 1916.

C. N. Monsarratt, Esq.,
Chairman and Chief Engineer,
Quebec Bridge Commission,
Montreal.

Dear Sir,—I have before me your report on a proposed bridge for the St. John and Quebec railway over the St. John river near the Mistake, and as the question of the final location of this railway between Gagetown and St. John is under consideration, I send you herewith a copy of a report prepared by Mr. C. B. Brown, Chief Engineer, Canadian Government railways, covering two routes, one known as the "Bridge Route," in which the bridge which you examined is located, and the other is the "Westfield route."

In view of your report and your experience as a railroad and bridge engineer, I should be glad if you will make a study of Mr. Brown's report and advise me as to the economies in construction and operations of the two routes, together with a recommendation as to the route you think should be followed.

Yours truly,
F. P. Gutelius.

Mr. Monsarratt replied as follows:

Dear Sir,—I have the honour to acknowledge your letter of February 26th, enclosing copy of report prepared by Mr. C. B. Brown, comparing two alternate routes of the St. John and Quebec railway between Gagetown and St.John, one known as the bridge route, which includes a bridge over the St. John river near the Mistake, dealt with in my report of February 23rd, 1914, and the other known as the Westfield route, and requesting me to advise you as to the comparative economies in construction and operation of the two routes and a recommendation as to the route that should be followed.

Before proceeding, I should like to point out that in my report of February 23rd, 1914, above mentioned, I referred only to the feasibility and relative merits and cost of construction of alternate crossings of the river at this point and made no reference whatever to the relative merits of any projected railway routes.

The estimate of cost of construction of the bridge stated in my report was sufficient to complete it at that time, but on account of the changed conditions, due to the war, I find on investigation that it would be necessary to revise this statement increasing the cost by $100,000.

On studying Mr. Brown's report I find that the Bridge route would necessitate the construction of four miles more of railway than the Westfield line, the cost of which, together with the cost of construction of the large bridge over the St. John river, would entail an additional outlay of $2,870,000 in addition to which there would be the cost of maintenance and operation of the bridges amounting to approximately $12,000 per annum, showing an additional annual charge for interest and maintenance of $115,000 above that of the Westfield route.

I would like, also, to point out that it would take at least two years to construct the bridge over the St. John river, and I am of the opinion that the Westfield line could be put in operation a year earlier than the bridge route. Mr. Brown's report shows that in so far as traffic and operation are concerned any advantage there might be, lies with the Westfield line.

It is always desirable, from an engineering standpoint to choose, if possible, a route which does not entail the construction of heavy bridges with difficult foundations, thus avoiding unforeseen contingencies which might arise in the construction and maintenance of structures of this nature.

In view of the fact that the Westfield route, shows a saving in construction of $2,870,000, an annual saving in interest and maintenance charges of $115,000, and can in all probability be put in operation a year earlier than the bridge route. I would have no hesitation in recommending the adoption of the Westfield route.

Yours truly,
(Sgd.) C. N. Monsarratt

Mr. PUGSLEY: What is the date of that letter?

Mr. ROGERS: It is dated February 28, 1916. It will be seen from this letter, having regard to the argument of my hon. friend with respect to the route of the line from Gagetown to St. John, that there is every reason for the action which is being taken, in view of the fact that, at all events for the present year, the province of New Brunswick and the Government of Canada will be saved the sum of $2,870,000.

At six o'clock the House took recess.

The House resumed at eight o'clock.

Mr. ROGERS: Mr. Speaker, when the House rose at six o'clock, I had just concluded the reading of a letter from Mr. Monsarratt, the chief engineer of the Quebec bridge, in respect to the proposed bridges over the St. John and Kennebecasis rivers. I now desire to read a letter from Mr. Gutelius, addressed to Mr. C. B. Brown, the chief engineer of the Canadian Government railways at Moncton, dated 28th February, 1916:

Moncton, N.B., February 28th, 1916.

C. B. Brown, Esq.,
Chief Engineer,
Canadian Government Railways,
Moncton, N.B.

Dear Sir,—Your letter February 26th giving me comparisons of the Bridge route and the Westfield route for the St. John Valley railway between Gagetown and St. John.

I send you herewith Mr. C. N. Monsarratt's letter of February 28th in which he gives an estimate of the proposed bridge over the St. John river.

I should be glad if you would supplement your letter of February 26th by letting me have the economies of the two routes and your recommendation in connection with the route to be selected now that you have Mr. Monsaratt's estimate.

Yours truly,
(Sgd.) F. P. Gutelius.

In reply to this, Mr. Gutelius received the following letter from Mr. C. B. Brown, dated February 28, 1916:

Canadian Government Railways,
Moncton, N.B., February 28, 1916.

F. P. Gutelius, Esq.,
General Manager,
Moncton, N.B.

Dear Sir:

St. John and Quebec Railway.

Comparison of routes between Gagetown and St. John.

With reference to yours of the 28th instant enclosing letter from Mr. Monsarratt of same date, and supplementing my report of the 26th, I would advise, that based on the estimate, the Bridge route would cost $4,550,000, whereas the Westfield route would cost $1,680,000, or a difference in favour of the Westfield route of $2,870,000.

In view of the heavy interest and maintenance charges of the Bridge route, the additional length of the time required to construct this route, the war conditions, the much larger present expenditure and no apparent advantages, I would not recommend the Bridge route.

I would recommend, however, that a route west of the river be adopted, and that the country, possibilities of traffic, etc., be thoroughly examined so as to obtain the most economical location for the extension of this railway to St. John.

Yours truly,
(Sgd.) C. B. Brown
Chief Engineer.

On receipt of that, Mr. Gutelius addressed the following letter to the acting Minister of Railways and Canals (Mr. Reid), on the same date, February 28:

Moncton, N.B., February 28, 1916.

Dear Mr. Reid,—In response to your request for information as to the status of the St. John and Quebec railways matters, I may say that the matter has been frequently discussed between Honourable Mr. Cochrane and myself with the view to working out an alteration of the arrangement in view of the changes which have taken place in conditions since the inception of the enterprise. I beg to advise that the original objects in the construction of this line were,

1st. To provide transportation facilities for the productive portions of the St. John Valley in that province; and

2nd. To secure an independent direct railway connection between St. John and the Transcontinental railway, which was to be leased to the Grand Trunk Pacific Railway Company.

The first object has been largely attained in the construction of the line between Gagetown and Centreville, which has been in operation for more than a year.

The second object can be attained by the Transcontinental railway which is now being operated as a portion of the Canadian Government railways system, connection being made at McGivney's junction by the Canada Eastern with the St. John and Quebec railway at Fredericton and thence to St. John by such route as it may be decided to construct. Consideration of the extension of the St. John and Quebec railway from Centreville North may well, in view of the financial situation caused by the war be deferred until a more favourable period and in the meantime efforts should be directed to the rapid completion of direct connection with St. John and also to obtaining by means of other connections as much profitable through business as can be secured for the St. John and Quebec railway.

In the matter of the construction of the line from Gagetown to St. John, it was originally provided in the Acts and Agreements that the line should be constructed on the East side of the St. John river, and connected with the Intercolonial in the vicinity of Rothesay. The Dominion Government originally agreed to guarantee bonds for $1,000,000 towards the cost of construction of the bridges over the St. John and Kennebecasis rivers, and later agreed to construct bridges over these rivers if found feasible.

We have gone into the matter thoroughly, and find from the surveys and reports that the bridge over the St. John river alone would cost $2,163,000, which would require the construction of piers in such depth of water and soft material

that would make the success and cost of the construction problematical. Owing to the hazardous construction, the tremendous cost, the cost of maintenance, its interference with navigation on the St. John river, the annual fixed charge of $120,000, which would be made up of interest and maintenance and operation costs, and the length of time required for its construction, it was felt that in the public interest some other route if possible should be found; and after making study of the country between Gagetown and St. John, it is found that we can reach St. John Union depot by remaining on the west side of the St. John river via Westfield, by a route which if following the river, is at most one mile longer than the Bridge route above described, and that this railway can be constructed for $707,000 less cost to the St. John and Quebec railway for their portion and save the $2,163,000 cost of bridges to the Dominion Government, or a saving to both governments of $2,870,000 as compared with the Bridge route, and our engineers are of the opinion that the Westfield route could be shortened considerably when making their final location surveys. This route is not encumbered with the difficulties above recited in connection with the Bridge route, and, besides the large saving in original expenditures, it possesses no disadvantages, and has the advantage of three miles less distance from the Transcontinental to West St. John, which will always be a large factor in the export business at St. John, although Courtenay bay improvements are the ultimate objective for export business at St. John for Canadian Government railways.

In view of the above and the recommendation of Mr. C. B. Brown, Chief Engineer, Canadian Government railways, in his letter of February 26th, Mr. C. N. Monsarratt, Chairman and Chief Engineer Quebec Bridge Commission in his letter to me of February 28th, and Mr. Brown's letter of February 28th, copies hereto attached, it is recommended that the New Brunswick Government be urged to take up and consider a route on the west side of the St. John river, and that a connection be made with the Canadian Pacific railway at a point at or near Westfield where the construction of the St. John and Quebec railway shall terminate. If this is acceptable then the Dominion Government will secure from the Canadian Pacific railway running rights from the point of connection to St. John over the Canadian Pacific railway on some reasonable basis to be arranged, pending final decision as to the best manner of entering St. John by an independant line to reach the Union depot, the main yarrds and Courtenay bay.

To do this may make it necessary to construct a low grade and independent line from Westfield, which could be done by constructing a bridge over the St. John River, making the entrance to the St. John Union depot on a viaduct over Mill street. This would involve the construction of a new train shed on the site of the burned elevator, together with a double track freight line for the business of the Canadian Government railways and the Canadian Pacific railway, which would ultimately be followed up by the construction of a new passenger station and passenger terminal facilities.

It is further proposed that in view of its proximity to the Maine Central railway, a connecting link be constructed between the St. John and Quebec railway and the Maine Central railway.

A connection of this character would give the city of St. John a second independent railway connection with New England; besides it provides a short line to New England points from the central and Northern portions of the province. It would become the Canadian Government railways main line for forest products business destined to New England points from the railways under our charge tributary thereto, and would enable us to secure a better division of through freight and passenger rates than we are able to secure at present by the more circuitous routes.

It is recommended, therefore, that authority for the construction of a branch line under the St. John and Quebec railway charter, be granted, to connect it with the Maine Central railway by the most feasible route.

Yours truly,

(Sgd) F. P. Gutelius.

Hon. Dr. Reid,
Acting Minister of Railways and Canals,
Ottawa, Ont.

In view of this recommendation from the officers of the Transcontinental railway to the acting Minister of Railways and Canals, it became the duty of the acting Minister of Railways and Canals to submit the proposals contained in the letters, which I have just read, to the Government of the province of New Brunswick. This was done in a letter written on 1st March by the acting Minister of Railways and Canals, and addressed to the Prime Minister of that province:

Ottawa, 1st March, 1916.

Dear Mr. Clarke:

Some time ago you wrote Honourable Mr. Hazen and asked him to interview Honourable Mr. Cochrane, Minister of Railways and Canals, in reference to the St. John railway situation. Owing to Mr. Cochrane's present indisposition it has fallen to me, as Acting Minister during his absence, to go into this, and I sent for Mr. Gutelius and took the matter up with him. I have gone into it very fully and I must say that Mr. Gutelius is very strongly of the opinion that the feasibility of building the bridges across the Kennebecasis and St. John rivers is open to grave question and subject to such great risk, and the cost together with maintenance for all time so great that it has convinced him and also me, that the route as originally proposed is not in the best interests of all concerned. In addition to that when your Government first went into this scheme it was with a view of affording a connection between the Grand Trunk Pacific and the city of St. John. Since that time the Government has been obliged to take over and operate the Transcontinental railway, and as the Intercolonial railway already has a first-class connection with the Transcontinental railway at McGivney's, this alters the entire situation, and I believe a reconsideration of the proposal and a re-arrangement of plans will result in much better business to the St. John and Quebec railway, and a much better service to the citizens of St. John and that portion of New Brunswick served by the St. John and Quebec railway.

After discussing the whole matter thoroughly with Mr. Gutelius I had him put in writing a suggested re-arrangement of the scheme. I also had him take up the question of bridges with his Chief Engineer as well as Mr. C. N. Mon-

sarrat, who is in charge of the construction of the Quebec bridge, and both are strongly of the opinion that Mr. Gutelius' proposition is the one that should be adopted.

I asked that you come here or send some one to represent your government to discuss this matter, and I was very sorry indeed to hear that you were ill but was very glad to meet Honourable Messrs. Murray and Baxter to-day. I have gone into the matter thoroughly with them, have explained it fully and am now enclosing you a full copy of the correspondence which has passed recently in connection with the proposal.

Before taking this matter up with the Premier and members of the Cabinet I thought it advisable to submit this to you and your government for their consideration and would ask that after having considered it you would advise me what conclusion is arrived at.

Of course, you can understand that if it is agreed that the proposed re-arrangement is acceptable to both parties then the proposed construction of the bridges across the Kennebecasis and St. John rivers is abandoned, and that you will at once proceed with the new route and have it reach Westfield at the earliest possible date.

It does strike me that if this re-arrangement is carried out, and if the city of St. John by this means secures two routes through Maine to the New England States it is of very great importance to the people of your province.

As soon as you are able to consider this matter and let me have your decision I will then submit the entire question to the Dominion Government, and if it is approved will be glad to submit to the House any legislation that may be necessary for the purpose of giving effect to the conclusions arrived at.

Yours very truly,

J. D. Reid,
Acting Minister.

The Honourable Geo. J. Clarke,
Prime Minister of New Brunswick,
Fredericton, N.B.

Mr. FUGSLEY: What is the date of Mr. Reid's letter?

Mr. ROGERS: The first of March. That letter of the first of March, addressed to the Premier of New Brunswick, was answered on the 7th of March by a telegram as follows:

Hon. J. D. Reid,
Acting Minister of Railways and Canals,
Ottawa.

Government in session last night approved your proposition regarding St. John and Quebec railway contained in your letter of March first addressed to Premier Clarke. Am confirming by letter.

A letter of the same date was addressed to the Hon. Dr. Reid, in the following terms:

Confirming my telegram of this morning, I beg to advise you that the Government of New Brunswick in session last evening, considered very fully and approved by the proposition regarding the St. John and Quebec railway contained in your letter to the Hon. Mr. Clarke, Premier of this province, under date of March 1st. instant.

Yours very truly,

(Sgd.) J. A. Murray,
Acting Premier.

Now we have there the proposal as originally made and accepted by the Government of New Brunswick. Therefore, I am submitting to the House in a frank manner as was suggested by the hon. member for Carleton, all the facts and circumstances as we understand them. It was evidently thought by the Government of the province of New Brunswick that this was a very desirable arrangement, or otherwise I am sure they would not have accepted it. I can appreciate how ready they should be to accept it in view of the fact that they are going to get almost an immediate connection with the city of St. John, or at least during the coming year, for their Valley railway, a consideration that I am sure is appreciated by the people of New Brunswick and especially by the people of St. John. I can understand, as was stated by my hon. friend this afternoon, that there are a great many difficulties incident to the operation of a line of railway which has no direct connection with such a centre as the city of St. John. It was stated by my hon. friend this afternoon that, in connection with the construction of this line from Gagetown to Westfield, it would not have direct connection with St. John and that the trains would go over the Canadian Pacific railway from Westfield to St. John. The original proposition was that the line was to start from some point on the Intercolonial about eight or nine miles from St. John, cross the Kennebacasis and the St. John river at Mistake and then run up the St. John river valley to Andover. The only difference is, running for the present year, or perhaps two years, over the Canadian Pacific railway, a distance of 14 miles, as against running over the Intercolonial for a distance of 8 or 9 miles as originally proposed. It was suggested by my hon. friend that the Government are not keeping faith in the matter of the construction of these bridges for the purpose of carrying out this railway project as was promised by this Government under legislation adopted by this House. But, in view of the fact that it has been discovered that we can get connection with St. John and save the Dominion of Canada $2,163,000, the estimated cost of building a bridge over the St. John river at Mistake, and in view of the saving, as suggested by the report of the engineers which I have just read, to the

province of New Brunswick, of $700,000, I think that the House and the country will agree that the officers of the Intercolonial railway and the Government of the province of New Brunswick are acting wisely and well in the public interest, especially under present conditions, in saving that amount of money, and also in view of the fact that they are going to get practically the same results in the end. That, to my mind, is the important condition. The Government are trying in no way to escape the responsibility for the undertaking which they assumed in connection with the construction of these bridges. The conditions since that time have entirely changed by reason of the fact that the Grand Trunk Pacific have failed to take over the Transcontinental railway and in view of the fact that we have the advantage to-day of a connection at McGivney junction with Fredericton and that with the construction of this railway from Gagetown to St. John, we will have direct connection with that great national port through which our products will be shipped during the winter months.

My hon. friend this afternoon quoted at some length from a statement made by the Minister of Marine and Fisheries in 1912, in which the minister stated very definitely that the line would undoubtedly be built from Centreville to Grand Falls. The hon. member for Carleton also quoted from a speech by the Minister of Marine and Fisheries two years later, when the minister had some little doubts as to the carrying out of this proposal. I would point out that the Minister of Marine and Fisheries was absolutely right in making the statement he did in 1912. Any man knowing the conditions, and the purpose for which the Valley railway was constructed, namely, that of making connection with the Transcontinental, would have made the same statement as the minister made in 1912. At that time he did not know that the Grand Trunk Pacific were not going to take over the Transcontinental, but when he made his statement in 1914 he probably had some intimation of that possibility, and of our having the connection we have to-day. In view of the fact that we have that connection, there is no pressing need at the moment for the construction of the line from Andover to Grand Falls. Though I am not in a position to know, I believe that the Government of New Brunswick are bound to carry out their proposition; they are anxious to do it, and I am satisfied that they will do it as soon as it is possible. In the meantime, their first duty is to make connection between Gagetown and the city of St. John.

My hon. friend also dealt at some length with the terms of the agreements between the province of New Brunswick and the Railway Department. I should like now to place on Hansard a statement I have received from the department with respect to this matter. Much of the information contained in this statement has already been supplied to the hon. member in reply to questions he had placed on the Order Paper. The statement is as follows:

We commenced operations between Fredericton and Centreville on January 1st, 1915, on the understanding that the deficiency in receipts, if any, would be borne equally by the province and the Dominion. This arrangement was terminated on March 31st, 1915, with the Provincial Government owing us $2,977.51—their half of the deficit. On April 1st a service on a new basis was instituted whereby the Railway Company and the Provincial Government were to receive 40 per cent of the gross earnings, and we also on May 31st undertook the weekly operation of the portion constructed between Fredericton and Gagetown. The result of these operations was a deficit of $24,579.40, and in addition there is due the province and the Railway Company 40 per cent of the gross earnings, amounting to about $18,733.65. Thus the total deficit for the nine months, to December 31st, 1915, on account of this transaction amounted o $43,313.05, to which should be added the net deficit to us for the first three months of 1915 of $2,977.51, making a total deficit for the year's operation of $46,290.56.

It was this result of the first year's operation that convinced the Minister of Railways that the operation of the road was bound to be a losing proposition unless it could be continued to St. John and also connected with an American road in order that the line could obtain the benefit of through business West and South.

Due notice was therefore given the Railway Company and the Provincial Government that the forty and sixty per cent arrangement would cease on December 31st. The department's action in this respect was based on a legal opinion of the Department of Justice, a copy of which will be brought down with the correspondence.

Since the first of the present year the Government railways have been operating and retaining the entire receipts, subject, of course, to an agreement which has yet to be reached between the Dominion and the province as to whether any portion of the receipts shall be turned over to the province before the completion of the road and while the road is losing money.

The St. John and Quebec railway has not yet been paid any portion of the forty per cent that is due them, for the reason that during construction we supplied them with rails, train service, track signs, etc., and expended considerable money in constructing local freight facilities, and also assisted them in the construction of their main line westward from the Fredericton "Y". In connection with these items, we have a considerable contra account, but these accounts are in process of adjustment between the parties concerned.

Mr. CARVELL: Did the minister state that since the first day of January the province has not received any portion of the earnings of the road?

Mr. ROGERS: My hon. friend is not correct in that impression. They have not received anything up to date. It is a matter of adjustment between the Railway Department and the province.

Mr. CARVELL: Has the Federal Government or the Department of Railways and Canals refused to carry out the 40 and 60 per cent arrangement?

Mr. ROGERS: They have not actually refused, but my hon. friend will have observed that the statement mentioned a deficit of $46,000 in one year. The Minister of Railways was anxious to have a re-adjustment, and to have the road constructed from Gagetown to St. John in order that deficits might be avoided in the future. That is the proposition which he has so strongly pressed, and which has been accepted by the Government of New Brunswick. In the meantime the 40 and 60 per cent arrangement remains to be adjusted between the Minister of Railways and the Government of the province of New Brunswick.

Mr. CARVELL: And the Government of New Brunswick agrees to that?

Mr. ROGERS: I have not heard that they have agreed to it. The St. John and Quebec railway has not yet been paid any portion of the 40 per cent that is due.

In respect to the operation of the railway from Fredericton to Gagetown, the Acting Minister of Railways was stating the other night that they had been operating that portion of the road, and also the portion between Fredericton and Centreville when the hon. member for Carleton interrupted:

> Mr. Carvell: You had better draw that statement a little milder.
> Dr. Reid: We have been operating it.
> Mr. Carvell: One train a week.

Now, that was an entirely unfair inference. The operation between Fredericton and Centreville (88 miles) has been a daily service since the opening of that portion of the road on January 1, 1915. Between Fredericton and Gagetown (a distance of 31 miles) we commenced operation by giving a weekly service from March 20, 1915, to December 21, 1915. On December 21, 22, 23, 24, and 25, during the Christmas rush, two trips were made over that end of the line each day. Since then a tri-weekly service has been given on Tuesdays, Wednesdays, and Saturdays, and will continue. My hon. friend complained this afternoon of the possibility of connection being made between the Valley railway and an American line. I have already submitted to the House a letter in which Mr. Gutelius speaks of the advantage such a connection would be. My hon. friend pointed out the great expense that would be involved in the building of a line from some place close to Fredericton, to Vanceboro. But there are other points that might be closer than that. Would not a line from Meductic to the American system be—

Mr. CARVELL: Would my hon. friend allow me? The distance from Meductic to any point on the American system of railways would be about the same distance as from Fredericton to Vanceboro, possibly five miles less, but two-thirds of that would be through American territory, and we would be compelled to build a railway through the state of Maine. In addition to that, the Intercolonial railway would have to transport traffic over the present Valley railway to Meductic, a distance of fifty miles. Therefore there would be a loss both ways, a loss in extra transportation to Meductic, that is for goods coming from Nova Scotia, and also a loss in transportation through probably thirty miles of American territory.

Mr. ROGERS: I hope my hon. friend's statement is correct because the American railways are only too glad to make a connection at that particular point, and the distance will be only twenty miles from Meductic to the international boundary. If this connection is made, it will undoubtedly be of great advantage to the Valley railway and give an outlet to American points.

Mr. CARVELL: That idea is more visionary than the other. You had better stick to the other.

Mr. ROGERS: It is not visionary. I am only stating the circumstances as they are presented to me.

I do not know that there is much more that the hon. member has stated that requires any answer. I have covered the ground so far as I understand the situation. The Government of New Brunswick apparently has accepted the proposal as made, and I am sure that it is acting wisely and well in so doing, because a

double purpose is served, namely, a connection is given with the city of St. John to the Intercolonial and the Transcontinental, and it is assured that the Valley railway will, from the day the line is completed, become a paying proposition to the province of New Brunswick, the Dominion Government, and every one who has any connection with it. It is evident that it is running through a very good portion of the province of New Brunswick, and, with the administration that it is certain to receive at the hands of the railway department, I am satisfied that it will be a paying proposition and of great advantage to the province of New Brunswick as well as to the Dominion.

I was a little sorry that my hon. friend was so bitter in his reference to the Government of the province of New Brunswick. As far as I understand the circumstances, and their attitude, they have but one purpose, to serve, and that is, to act in the best interests of the people whom they represent, by giving them the best arrangement possible under existing conditions. It is true, as I stated at the outset, that they had placed upon them the responsibility of building this Valley railway as the result of the incompetence and mismanagement of hon. gentlemen opposite in earlier days. They are, however, doing the best that can be done, and they are doing it in a manner that, I believe, is satisfactory to the people of that province.

My hon. friend told us a long story to-day about an investigation he had held, and about the Prudential Trust and so on, endeavouring to imply that there was something wrong in connection with the administration of the Government of New Brunswick, and although he referred to the investigation which was held and which he himself conducted not very long ago in that province, he forgot to tell us that, after he had held that investigation, there was an election in his own constituency owing to the resignation of the Premier of New Brunswick, who had formerly represented it; that the record of the Valley railway was submitted to that intelligent constituency—I think my hon. friend will agree with me that it is an intelligent constituency—and that their verdict was to give to the Government candidate a handsome majority of something like 700 votes, one of the largest majorities that the Conservatives have had in that constituency so far as I am aware. That is an evidence that that Government of the province of New Brunswick are close to the hearts of their people, and that their conduct and their efforts to secure an extension of a railway system so necessary for the development of their province and of the great port of St. John, are such as to merit the confidence and respect of the people of that province.

There is nothing that this Government can do to assist in the carrying out of that enterprise that we are not prepared to do. We are prepared to assist generously and liberally, if it is necessary, in the extension of the railway that is to be carried on later between Westfield and St. John, and if there is expense in connection with the bridges there we will come to the relief of the people of New Brunswick, believing as we do that it is in the interest of the people of Canada to secure the most direct connection with that national port, and believing as we do that the connection at McGivney Junction gives us as direct connection as would the connection between Grand Falls and St. John. But that is a matter for the province itself, and the Provincial Government are no doubt anxious to carry out that scheme, and they will no doubt do so at the earliest possible opportunity.

I do not know that there is much more to add from the point of view of the Railway Department. I have endeavoured to fulfil the request of my hon. friend and have frankly given the circumstances and all the facts connected with the negotiations that have taken place between the Railway Department and the Government of the province of New Brunswick.

Mr. CARVELL: Has an agreement been reached with the Government of New Brunswick as to the building of the proposed road from a point north of Fredericton to Vanceboro? As I understand it, the hon. minister read a letter from Mr. Gutelius pointing out the advisability of building it, but I did not hear who was to pay for building it in case the road was actually constructed.

Mr. ROGERS: While the Government of New Brunswick have answered definitely in respect to the extension of a line from Gagetown to St. John, they have not answered definitely as to a connection between some point on the Valley railway and the American line. I understand the closest possible connection is from Meductic to some point on the international boundary.

Mr. CARVELL: That is not my point. Who is to pay the expense of building the road?

Mr. ROGERS: I suppose the Valley railway will assume the responsibility of building the road from Meductic to some point on the international boundary.

Mr. PUGSLEY: My hon. friend has not been very definite as to two propositions. One is, as to the connection between Fredericton and Vanceboro or some other point on the International boundary. As I understand it, Mr. Gutelius recommends that that branch be built by the St. John and Quebec railway by enlarging the provisions of the present statute, under which provision would be made for the Government of New Brunswick to guarantee the bonds of the road. That would mean an addition to the indebtedness of the province of New Brunswick by the cost of this connection with the New England system. That is the proposition of Mr. Gutelius)

Mr. ROGERS: That is the proposition.

Mr. PUGSLEY: I do not wonder that the Government of New Brunswick has not signified to this Government its acceptance of such a proposition. I do not hesitate to say that such a proposition would be resisted most strenuously by the vast majority of the people of New Brunswick, because they feel that they have already on their shoulders a sufficiently heavy burden in connection with the Valley railway without undertaking a further obligation of two or three million dollars for the purpose of getting another, and to my mind, utterly useless connection with the New England system. As my hon. friend from Carleton so well put it, the connection between St. John and Fredericton, Woodstock and all other points up and down the St. John river by means of the Canadian Pacific railway is now very satisfactory and answers every reasonable purpose, and for Mr. Gutelius to seek to have the people of New Brunswick undertake this additional burden of something like two or three million dollars is altogether a most startling proposition. I am not surprised that the Government of New Brunswick has been too alarmed at the proposition to say "yes" or "no" to the question of my hon. friend the acting Minister of Railways.

There is another noteworthy point in this matter, and that is the extraordinary haste with which the correspondence seems to have been completed. Here is an undertaking which has involved the province of New Brunswick in a liability of nearly $6,000,000, an obligation entered upon by the people of New Brunswick upon a distinct and positive understanding with both political parties that have the control of the affairs of Canada for a number of years. That understanding was that the road should be built from St. John to a connection with the Transcontinental railway at Grand Falls; that the road was to be built to a high standard, so that it might be used as part of a transcontinental system in bringing the traffic of our western country to the port of St. John. It was upon that positive understanding that the people of New Brunswick agreed to accept the obligation; an obligation of almost staggering proportions for such a small population.

Mr. ROGERS: Where does the hon. gentleman find that agreement?

Mr. PUGSLEY: It is in the statutes. Let me tell the hon. gentleman where it was first found. The Provincial Government, a Conservative Government, recognized the desirability set forth by myself and our supporters from New Brunswick when I was a member of the Liberal Government, and negotiated with us for Government aid towards the construction of a railway up and down the valley of the river St. John. I remember that I insisted most strenuously—and I was backed up by all our supporters from the province of New Brunswick—that the road should form a part of the Transcontinental system. In the Dominion Railway Subsidy Act, we repealed all previous subsidy provisions, and provided for one subsidy for the whole road from St. John to Grand Falls, a distance of about 220 miles. There was found the first agreement, and in that proposition the then Government of New Brunswick heartily concurred. But they felt that before they could be justified in engaging the credit of the people of New Brunswick for the guarantee of bonds to the very large amount of $25,000 a mile, they must ensure beyond all question that the road was to be constructed from St. John to Grand Falls, so as to form part, as I have said, of the Transcontinental system.

There was another proposition, and that was that the Government of Canada should operate the line, when constructed, as part of the Intercolonial, and, no matter what the net earnings might be, should pay over

to the railway company, as protection to the province of New Brunswick, 40 per cent of the gross earnings of the road. I remember that it required a good deal of argument with my colleagues to get them to agree to that proposition. It was said to me—and said with a good deal of truthfulness—that forty per cent was a large proportion for the Government of Canada to pay over to the province, that the net earnings might not amount to so much, and that the amount to be paid to the province should be based on the net earnings. But I pointed out to my associates in the Government, especially to my hon. friend (Mr. Graham), then Minister of Railways, and to my right hon. friend (Sir Wilfred Laurier) then leader of the Government, that unless some liberal arrangement of this character were made, it would be impossible for the company, even with the provincial guarantee, to raise the necessary money to enable the road to be constructed—for it was recognised that a larger amount would be required than the amount of the Government guarantee. After a good deal of argument, my right hon. friend, (Sir Wilfred Laurier) came to the opinion that, as the valley of the St. John river was one of the oldest settled districts in the province of New Brunswick, having been settled for upwards of a hundred years, and yet was still, in many parts, without railway facilities, and as the road was to run through a most beautiful and fertile section of the country, the people of Canada might well undertake the obligation to pay forty per cent of the gross earnings to the company which should construct the road, which forty per cent, of course, would go, in the first place, to meet the obligations of the province in the guarantee of the bonds. The Government finally agreed to that proposition, and, if I remember rightly, a Bill was introduced and passed. I think the Act was passed when the late Government was in power. And that formed the first contract. Then I find that in 1912 a contract was entered into between this Government and the railway company, and also the Government of New Brunswick, providing for assistance towards the bridges in connection with the construction of the line. There were embodied in the statutes the two contracts made by the late Government of Canada and this Government, in which there was a positive and binding agreement upon the Parliament of Canada that a subsidy should be given for the railway all the way from St. John to Grand Falls, that, as the road was completed in sections, the Government of Canada should take it over and run it, and pay to the province forty per cent of the earnings; and that the Government of Canada should aid in the construction of the bridges, and, later, that the Government of Canada should build the bridges with Dominion money. My hon. friend (Mr. Rogers), I think, cannot desire stronger evidence of that being the agreement as between the people of New Brunswick and the people of Canada acting through their Parliament. Yet, notwithstanding that solemn agreement, an agreement upon which the people of New Brunswick undertook these obligations—for it is not Premier Clarke, nor Attorney General Baxter, nor the members of the Provincial Government alone who are committed to these obligations, they are to pay their share as taxpayers, of course; but it is the small population of 350,000 people in New Brunswick upon whose shoulders this enormous, this staggering obligation falls—the Minister of Public Works comes down and lightly tells this Parliament and the people of Canada that this solemn agreement is now to be set aside, and that this road, instead of forming part of the Transcontinental system, is to be merely a branch line of the Canadian Pacific railway—for that is all that it is to be. And in what time, do you think, were all these matters brought to a head? Mr. Brown writes a letter on February 26 of this year to Mr. Monsarratt in which Mr. Monsarratt is asked to give his opinion with regard to the most desirable route to take. Mr. Monsarratt writes his answer on February 28, two days after the date of Mr. Brown's letter. Mr. Monsarratt's letter apparently reaches Mr. Gutelius on the same day, and on that day Mr. Gutelius writes to Dr. Reid, the acting Minister of Railways, acquainting him with the conclusion at which his engineers have arrived. This is the way this matter, the most important from a financial and business standpoint with which the people of New Brunswick have ever been called upon to deal, was considered. You find it considered by Mr. Brown's letter of February 26. You find Mr. Monsarratt has it before him and writes on February 28. On the same day Mr. Gutelius writes to Dr. Reid and on March 1, Dr. Reid writes to the acting Prime Minister of New Brunswick, suggesting that these changes have been recommended and asking what the provincial government think about it. Without taking the people of New Brunswick into his confidence, without waiting for the

meeting of the legislature in order to see what the representatives of the people thought about it, the acting Prime Minister wired Dr. Reid on March 7, approving of the proposed agreement, and followed it by a letter under the same date entirely agreeing with this proposition, which was of such enormous importance and which had its inception in Mr. Brown's letter of February 26, just a few days before. Do you think, Mr. Speaker, that that tells the whole story? Does my hon. friend the Minister of Public Works want this Parliament to believe that this matter had not been thought of and talked about and planned before this correspondence began? Why, Sir, the hon. member for Carleton has told you that there was ground for the suspicions of the people regarding the bona fides of the intentions of the Government of New Brunswick to extend the road to Grand Falls. If all reports are to be believed, the Canadian Pacific Railway Company gave their hearty support to the provincial government in 1912. It is well known that while Mr. Fleming, the then premier, was telling the people of Victoria county, from the public platform, that the road would run to Grand Falls as sure as the sun should rise the next morning, a prominent official of the Canadian Pacific Railway Company was stating that he had the positive pledge of Mr. Fleming that the road would never be built to Grand Falls. And, Sir, the suspicions of the people of that day are being verified by what is before us to-night. The first step toward fulfilling the pledge of the provincial government to the Canadian Pacific Railway Company, in violation of the solemn pledge they were making to the people of Victoria county and the people of St. John, was to do away, as the Minister of Railways got this Parliament to do away, with that portion of the subsidy which was to apply to the railway between Andover and Grand Falls. That was the first step in this outrageous proposition which has been carried on, not openly, but consistently, from that day to this, in order to fulfil the pledge which Mr. Fleming made to the Canadian Pacific Railway Company; in order to carry out the plot which to-night is being consummated by the declaration of the Minister of Public Works that the St. John Valley railway is to begin at Centreville and is to end, so far as the undertaking of the Provincial Government is concerned, at Westfield. Does my hon. friend question what I say? Let him take the letter of Mr. Gutelius. Perhaps it has not impressed itself on his mind; it did impress itself on my mind. Mr. Gutelius says, as clearly as words can state it, that the undertaking of the Provincial Government is to end at Westfield. In other words, so far as the Provincial Government is concerned, this road is to be a branch of the Canadian Pacific railway, beginning at Westfield, running to Fredericton, and extending to Centreville, a small village about twenty-five miles north of Woodstock—in every respect a branch line of the Canadian Pacific railway. And so the obligation to the Canadian Pacific Railway Company is being paid to-day. So are being fulfilled their hopes and their aspirations that the Valley railway, instead of being a competing line, instead of being part of a great transcontinental system, is to be simply a branch, an annex, an adjunct, of the great Canadian Pacific railway.

My hon. friend the Minister of Public Works has quoted figures as to the relative cost of the two lines. But in the one case he has given us the entire cost from Gagetown to St. John by what he calls the bridge route, and in the other case he has given us the cost simply from Gagetown to Westfield. My hon. friend has not told us what it would cost to build an independent line into St. John. If he knows the country he knows that it will cost a very large sum of money.

Mr. CARVELL: From Westfield down?

Mr. PUGSLEY: From Gagetown down to St. John; it would cost a very large sum of money. I know something of the country from Mistake down to Westfield; if the route follows the shore line a great deal of heavy rock-cutting will have to be done. It will also be a very expensive undertaking to build a bridge across the Nerepis river where it empties into the St. John river. That bridge would have to be half a mile long. The Nerepis has a muddy bottom; I know something about it, because when I was in the Provincial Government I had a good deal to do with the building of a highway bridge there. I venture to say that the building of a bridge across that river would cost as much money as the total amount Mr. Monsarrat has put in for the building of the road from Gagetown to Westfield. In order to make connection with the Canadian Pacific railway at Westfield, this bridge would have to be built. Has my hon. friend thought for a moment what it would cost to get from

Westfield to St. John by an independent route? There would be a great deal of rock cutting, the road would cost more than a railroad ordinarily costs. You get down to Fairville; then how are you going to get into St. John east?

9 p.m.

If you are going by an independent line, you will have to build a bridge across the St. John river. Has my hon. friend thought where this bridge will be built? Is it to be across Navy island, or is it to be across St. John river by the falls? May I ask my hon. friend whether the proposal has gone that far—as to which way the line is to come?

Mr. ROGERS: No, it has not.

Mr. PUGSLEY: Let me tell my hon. friend that by either route the cost will be a great many hundreds of thousands of dollars. The right of way alone through the city of St. John would cost hundreds of thousands of dollars. If it is to be built by Navy island, the cost of the approaches would be very large; the railroad bridge alone would cost $750,000.

Mr. ROGERS: I venture to say that my hon. friend did not catch correctly what I read from Mr. Gutelius' letter. He surely wants to be fair, and to have the facts properly placed in his mind. My hon. friend suggested that the cost of the line from Westfield to St. John is not included in this saving of $707,000. My hon. friend is not correct in that statement. Let me quote from the letter from Mr. Gutelius to the Minister of Railways, which I read a moment ago:

It is found that we can reach St. John Union depot by remaining on the west side of the St. John river via Westfield, by a route which, if following the river, is at most one mile longer than the Bridge route above described, and that this railway can be constructed for $707,000 less cost to the St. John and Quebec railway for their portion and save the $2,163,000 cost of bridges to the Dominion Government, or a saving to both governments of $2,870,000 as compared with the bridge route, and our engineers are of the opinion that the Westfield route could be shortened considerably when making their final location surveys.

Mr. PUGSLEY: Did Mr. Gutelius give the minister any statement of what it would cost to bridge the St. John river at Navy island to get right in to and through the city of St. John.

Mr. ROGERS: I understand that that would not be very expensive.

Mr. PUGSLEY: It would be very expensive indeed. The present bridge used by the Canadian Pacific railway is entirely too light. Trains with two engines cross from St. John to Fairville, and there they attach heavy locomotives to haul the trains to Montreal and the West. The bridge was found to be too light altogether for the heavy engines of the Canadian Pacific railway, and very soon they will have to construct a stronger bridge. I am satisfied that Mr. Guetelius has entirely underestimated the cost of bridging the St. John river at the city of St. John, the cost of the bridge's approach by Navy island, and also the cost of the right of way.

There is another objection to be made to this proposed change, and that is, that these things were considered when this agreement was entered into. The Canadian Pacific railway ran from St. John to Westfield, just as it does to-day, and all these things were thought of. The people of New Brunswick wanted an independent line into the port of St. John, and with the same knowledge then that we have to-day, the Provincial Government of New Brunswick, the Liberal Government here, and the Conservative Government here all agreed that the line should not simply go to Westfield but that it should be built into S. John; and after very careful consideration it was determined to build it by the eastern route so as to go into the city by way of the Intercolonial.

Mr. ROGERS: Will the hon. member permit me to give him some more information on that particular point. (Reading):

If this is acceptable, then the Dominion Government will secure from the Canadian Pacific railway running rights from the point of connection to St. John over the Canadian Pacific railway on some seasonable basis to be arranged, pending final decision as to the best manner of entering St. John by an independent line to reach the Union depot, the main yards and Courtenay bay.

Mr. PUGSLEY: That is exactly what I have said; it is proposed to use the Canadian Pacific railway.

Mr. ROGERS: Pending a final decision. It is simply a temporary arrangement.

Mr. PUGSLEY: My hon. friend is wrong in saying it is only temporary.

Mr. ROGERS: It says "pending a final decision."

Mr. PUGSLEY: Will my hon. friend say there is any agreement between the two Governments that the road will be built from Westfield into St. John?

Mr. ROGERS: Undoubtedly; as I understand it, the road must be built from Westfield to St. John. This is only a temporary arrangement.

Mr. CARVELL: Is there any agreement other than that reached in the correspondence which has been read by the minister to-night?

Mr. ROGERS: Not that I am aware of.

Mr. CARVELL: Then we can read it for ourselves, and perhaps understand it.

Mr. PUGSLEY: I find from page 3 of the letter from Mr. Gutelius, which my hon. friend read, that my recollection of what he said was right. He says:

> In view of the above and the recommendation of Mr. C. B. Brown, Chief Engineer, Canadian Government railways in his letter of February 26th, Mr. C. N. Monsarratt, Chairman and Chief Engineer Quebec Bridge Commission in his letter to me of February 28th and Mr. Brown's letter of February 28th copies hereto, attached, it is recommended that the New Brunswick, Government be urged to take up and consider a route on the west side of the St. John river, and that a connection be made with the Canadian Pacific railway at a point at or near Westfield where the construction of the St. John and Quebec railway shall terminate.

Mr. ROGERS: Pending a final decision.

Mr. PUGSLEY: No; if I understand the meaning of language, I take it that that means that so far as the project to be carried out by the St. John and Quebec railway, in respect to which the Provincial Government have guaranteed the bonds and which this Government has guaranteed to operate, is concerned, the undertaking shall terminate at Westfield.

Mr. ROGERS: It is just temporary.

Mr. PUGSLEY: It does not say it is temporary.

Mr. ROGERS: Read on.

Mr. PUGSLEY: I will read on:

> If this is acceptable, then the Dominion Government will secure from the Canadian Pacific railway running rights from the point of connection to St. John over the Canadian Pacific railway on some reasonable basis to be arranged, pending final decision as to the best manner of entering St. John by an independent line to reach the union depot, the main yards and Courtenay bay.

Some hon. MEMBERS: Hear, hear.

Mr. PUGSLEY: Now, if I understand that language, it means this: that so far as the present project is concerned, it shall terminate at Westfield; and that this Government will investigate. In the first place, they will endeavour to secure running rights over the Canadian Pacific railway, and they will investigate as to the best way of getting into St. John. They may determine in the future to go to St. John, or they may not, but if they do, it is to be a project of the Dominion Government. That is what is meant. Now, in view of the present proposition to have the project, so far as the St. John and Quebec railway is concerned, terminate at Westfield, I think that, before the whole scheme is broken up, this Government ought to be able to state to the House whether they are prepared to proceed with surveys and investigations, and within a reasonable time, to construct, as a Government work, the railway from Westfield into the union station in St. John and to the yards at Courtenay bay.

But I object to this change for another reason. All the vast improvements which were outlined and contracted for at Courtenay bay were a part of the undertaking to build a road from Grand Falls to St. John, and to make it part of the Transcontinental Railway system. When the late Mr. Hays was president of the Grand Trunk Pacific Railway Company, he had many interviews with the Government. He considered very carefully the lay-out of the terminals at Courtenay bay, and his company, through the Grand Trunk Pacific Development Company, acquired a large area of land at the head of Courtenay bay. He looked forward with the greatest possible hope and confidence to the very near future when over the Valley railway there would come a vast transcontinental traffic, which would have its terminus at Courtenay bay. There were to be great yards there; there was to be an elevator, and there were to be the usual facilities which are always to be found in connection with great ocean terminals.

It was felt that it would be an infinitely better way to reach the terminals as it would be very much more convenient to operate railway trains than it would be if they came in from the western side. If they came from the western side it would be necesary to cross over from the west to the eastern side of the harbour of St. John in order to get to the docks at Courtenay bay and it would be necessary to have a system of switchbacks which would be inconvenient and add to the expense and delay of operating the terminal system. That is why Mr. Hays pronounced himself

absolutely in favour of what Mr. Monsarratt and Mr. Gutelius call the bridge route but which we speak of as the route coming down the eastern side of the river St. John from Mistake. My hon. friend cannot be unaware of the fact that these officials of the Grand Trunk Pacific the moment it was proposed to change the route and come down the western side of the river, publicly and emphatically declared their opposition to the change of route and said it was utterly absurd to do so it was expected that the road was to form part of The Transcontinental railway system.

But my hon. friend makes the excuse for all this change by saying that the Grand Trunk Pacific have failed to enter into, or carry out, the obligation to operate the Transcontinental railway. I desire to say, in the presence of the minister, that so far as this Parliament is aware, the Grand Trunk has never failed in its obligation to operate the Transcontinental railway. This Parliament has never had placed before it any information from which such a conclusion could be drawn. We do know that this Government, ever since it came into office, has consistently, persistently and deliberately altered the grades and made changes in the terminals of the Grand Trunk Pacific railway which gave the Grand Trunk Pacific an excuse for refusing to operate the road until the specifications were lived up to. That is all the knowledge this Parliament has in regard to the Grand Trunk failing to operate the Transcontinental railway. I would expect that before my hon. friend would make that statement he would give the information to the House upon which he bases it and show that the Grand Trunk Pacific has failed or refused to carry out its obligations.

I, Sir, with all respect to my hon. friend, do not believe one single word of it. My hon. friend may have misinterpreted—no doubt he has misinterpreted—what they have done, but I think it will be found upon examination of the correspondence that all they have done has been to insist upon the specifications of the road being carried out and lived up to by the Government, and I have no doubt that if that is done they will be prepared to enter into the lease which is provided for by the agreement, and which they cannot be expected to do otherwise.

I am extremely sorry that it has come to this. I had hoped that our expectations that St. John would become the great port in connection with the Transcontinental railway would have been realized. The people of St. John have long hoped that this would be the case, but when they read in the newspapers to-morrow morning the statement that my hon. friend the Minister of Public Works has made, they will feel that their hopes are blasted, and a feeling of disappointment will spread not only among the people of St. John but among the people of New Brunswick, who take pride in our great commercial city, and who looked forward to a day in the not very far distant future when St. John would be able to take her place as one of the great Atlantic seaports, and through which a vast deal of transcontinental business would be carried both in winter and in summer.

My hon. friend has talked about the cost of these bridges. I think from the correspondence that Mr. Gutelius had made up his mind that the eastern route shall be abandoned. I learned a year ago that Mr. Gutelius had made up his mind to that. How long ago is it that the Minister of Railways said that Mr. Gutelius had been loaned to this Government by the Canadian Pacific? Three years, was it? During that time Mr. Gutelius has done good work for those who loaned him to this Government, and to whose employ he will go back when his three years are up. He has succeeded in placing St. John as a way station so far as the operation of the Intercolonial railway is concerned. He has arranged it so that any one desiring to go to Montreal will find it intensely inconvenient to go to Moncton to take the Ocean Limited, the best railway train which travels between the Maritime Provinces and Montreal. He will have to stay three or four hours in Moncton, and therefore he will find it infinitely better for his comfort, even if the route is not of as much scenic beauty, to take the Canadian Pacific line rather than attempt to catch the Ocean Limited. In all other respects it will be found that Mr. Gutelius has had an eye—a very open eye—towards Canadian Pacific interests.

Mr. R. B. BENNETT: May I ask my hon. friend, in all his busy life how many times he has travelled to Montreal from St. John by the Intercolonial railway?

Mr. PUGSLEY: I could not tell my hon. friend how many times I have gone to Montreal by either route during my busy life, and, therefore, he is putting to me a hard proposition, but let me tell him that when Mr. Blair was Minister of Railways, and when he placed St. John on the main

line, many of us used to take pleasure in travelling by the Intercolonial to Montreal. While the distance is longer, the pleasure of travelling by the north shore of the province is greater.

Mr. BENNETT: In the winter?

Mr. PUGSLEY: No, the Ocean Limited only runs in summer.

Mr. BENNETT: It runs in winter too.

Mr. PUGSLEY: Perhaps it does, but I do not think it is running now. But, in the summer there was no lovelier trip that one could take than from St. John to Montreal over the Intercolonial railway. The scenery of the Baie des Chaleurs and the Metapedia valley is simply gorgeous. But since this Government came into power it is only with the greatest possible inconvenience that you can go to Montreal via the Intercolonial railway because it involves spending three or four hours at Moncton.

Mr. BENNETT: Is the Mr. Blair to whom my hon. friend refers the same Mr. Blair who resigned because of the same Transcontinental railway to which reference has been made?

Mr. PUGSLEY: The very same gentleman, and it is wonderful, Sir, how many political crimes these gentlemen think they can justify by saying that Mr. Blair opposed something that the Liberal Government proposed to do some years ago. They must think that the people of this country can be humbugged.

Mr. BENNETT: They could until 1911.

Mr. PUGSLEY: If hon. gentlemen opposite think that they can make the people forget accusations of political mismanagement, crimes, and offences by saying that Mr. Blair had a difference of opinion with his colleagues several years ago as to the question of the route of the Transcontinental railway they are greatly mistaken. My hon. friend can take comfort from the fact, as I have no doubt that the Canadian Pacific will, that at last Mr. Gutelius has succeeded in so presenting the matter to this Government that they have agreed to abandon the St. John Valley railway as part of the Transcontinental railway and simply to run it as a branch line of the Canadian Pacific. But my hon. friend says that they will have running rights over the Canadian Pacific from Westfield, whereas, if the railway came over the eastern route, crossing the Kennebecasis at Rothesay, it would run for nine miles over the Intercolonial railway. My hon. friend has forgotten that when they run over the Intercolonial railway they are running over the people's railway, and that the earnings, whatever they are, for that nine miles go into the treasury of Canada. When they run over the Canadian Pacific railway the earnings go into the capacious pockets of the Canadian Pacific Railway Company. That is the difference. In one case it is the people's railway that would be benefited, and that would control the matter, so far as the terms are concerned; in the other case the business would be controlled by a private company, and the benefits accruing from the haulage over that mileage would go into the treasury of a private company, and not into the pockets of the people of Canada. Just a word in regard to the bridges, and I shall not detain the House longer.

Mr. HENDERSON: Hear, hear.

Mr. PUGSLEY: I am glad to see that my hon. friend from Halton (Mr. Henderson) has a vigour that will enable him to bear the duties of a Privy Councillor for many years to come, I trust. I can assure him that I do not object to his crying "Hear, hear." It shows he is awake,—

Mr. R. B. BENNETT: Which you did not expect.

Mr. PUGSLEY: —which has not always been the case in the past. With regard to bridges, when this Government in 1912, and again in 1914, led the people of New Brunswick to believe that they were going to give this generous encouragement to the building of bridges, it was known then, just as well as it is known to-day, that those bridges would be expensive. The examinations which have been made since have not shown that the bridges would be more expensive than it was thought they would be. I know that Mr. Maxwell, who is the Chief Engineer of the Valley railway, and who was appointed by the Provincial Government, has made a further examination at the instance of the Provincial Government, and has reported that he found good foundations at reasonable depths. I am satisfied that his report will show that the cost of these bridges, both the one across the St. John river and the one across the Kennebecasis, will not at all exceed what it was estimated they would cost when this Government entered upon the obligation to

build these bridges, and so aid the Provincial Government to that extent. In 1912 this Government promised aid in building the bridges in order to induce the people of New Brunswick to believe that they were disposed to act generously towards that province, which had assumed these great obligations. The legislation was passed by this Government about the time a provincial election was coming on. It would be grossly unfair for me to insinuate that the provincial election had anything to do with it. I know that my hon. friend who has knowledge of elections—that elections are to be won in only one way—would not include legislative promises in the way he thinks elections can properly be run. Therefore, to use the phrase of the Minister of Finance, I can only say that these two events synchronized in a most remarkable manner.

Mr. ROGERS: I should like to know what is implied in the insinuation that my hon. friend directs to me.

Mr. PUGSLEY: I will tell my hon. friend. My hon. friend has stated in this House that hon. gentlemen on the other side will realize that he knows how to run elections. That is all.

Mr. ROGERS: I have heard that statement repeated very, very often, but I have not taken any notice of it before because I am very good natured. The statement my hon. friend refers to I made in this House when I was dealing with the attitude of hon. gentlemen opposite in respect to the navy question, which was under discussion at the time. I said that I was prepared to submit to the people the record as presented by hon. gentlemen opposite on the floor of this House; that I knew and understood what affected the people of Canada in respect to the winning of elections, and therefore knew that that question would carry.

Mr. PUGSLEY: I am very glad indeed to have my hon. friend throw around his statement the embellishment which he has to-night.

Mr. ROGERS: No embellishment. If you read Hansard you will see it.

Mr. PUGSLEY: My hon. friend has put it in a more ornate form, in which it does not seem so harsh as it did to those of us who heard him make it some two or three years ago. I apologize to my hon. friend if, for a single moment, I drew from the statement which he made the idea that he had reference to those less beautiful and more reprehensible means of winning an election which are sometimes resorted to. I cheerfully accept his statement, and feel that when anybody in the future intimates that my hon. friend knows how to run elections he has in his mind simply those broad and statesmanlike measures relating to the public good, in which the people would be likely to be interested, and which would therefore be likely to influence them in any decision at which they might arrive when they come to cast their ballots. I can assure my hon. friend that his words to-night ought to lift him to a higher plane and gain for him greater respect and esteem among the people of this country. At all events, these two events synchronized in a most remarkable degree.

This generous legislation made by this Parliament was passed just when a provincial election was impending in the province of New Brunswick. This Parliament, at the instance of the Government, authorized the granting of most liberal aid towards the building of those bridges. Well, nothing has occurred to make it less reasonable to build those bridges to-day than when the legislation was passed. Afterwards, in 1914, the Government asked this Parliament to agree to the absolute building of three of the bridges. As has been well pointed out by my hon. friend from Carleton this afternoon, the people of New Brunswick took the word of this Government—I will not say for what it is worth, but for what the word of honourable statesmen ought to be worth. They took the word of this Government, and then entered upon increased obligations to the extent of $10,000 per mile additional. Believing that the road would be built from Grand Falls to St. John, they took these vast additional burdens upon their shoulders. And to-night they are confronted with the statement that the obligations on the part of this Government are to be ignored. They will read the most remarkable statement read to this House tonight, in which the acting Minister of Railways, although this Government had entered into a solemn agreement to pay to the province 40 per cent of the gross earnings, notifies the Government of New Brunswick that that arrangement will have to be modified, that this Government is not prepared to carry out its obligation to pay to the province 40 per cent of the gross earnings, and that the province of New Brunswick must be prepared to bear its share of the losses that might occur from time to time. The

people of New Brunswick are confronted with that absolute repudiation on the part of this Government. To-night, they find that further pressure has been brought to bear. A communication is sent to them asking them to agree to change the whole terms of the obligation which was entered into, and to abandon the idea of a Transcontinental line, and to consent to the building of a line which, as I have said, will simply be a branch line and an adjunct of the Canadian Pacific railway.

I wish simply to say, in conclusion, that I for one, as representing the constituency of the city of St. John, am profoundly grieved to think that the Government is proposing to do an act of such gross injustice to the people of New Brunswick as is now proposed by the course of events which has been outlined by the Minister of Public Works to-night. Let me express the hope that the Government will consider the matter further. Let me express the hope that some time, at all events, will be given to the people of New Brunswick to make their views heard with respect to this matter. They should not be rushed into the transaction. I know how intense is the feeling of the people of St. John against modifying the original contract. I know how desirous they are of seeing that original contract carried out. And if I can hope to attain nothing else, let me express the earnest desire that the Government will pause before they enter into a binding obligation in this respect, and that they will at all events give an opportunity to the people of St. John and of New Brunswick to express their feelings in this matter. And I believe, if the Government will give heed to what is thought, not only by the people of St. John, but by all the people of New Brunswick, they will not act upon the lines which have been laid down by my hon. friend tonight as indicating what this Government has determined upon and what has been agreed to with the Government of New Brunswick.

Mr. PIUS MICHAUD (Victoria, N.B.): As a representative of the county of Victoria, I am very much interested in this debate. The terminus of this Valley railway was to be at Grand Falls, one of the nice little towns lying along the St. John river, a progressive town with a large population and a fine surrounding district. A few years ago I followed, with great interest, the debate on this subject and I listened with great attention to the Minister of Railways when he said to my hon. friend from Carleton in connection with the construction of this railway "Have faith." Well, faith will never build railways in New Brunswick. Faith would never have put the Flemming Government back into power in 1912, a railway had to be built in order to put that Government back into power. I followed also in that same debate the remarks of my hon. friend the Minister of Marine and Fisheries who, on that occasion, stated that he was just as sure as he was standing in the Chamber that the Valley railway would be built up to Grand Falls. That statement was made four years ago. I could quote his words from Hansard, but my hon. friend from Carleton has already mentioned the volume and the page at which his remarks are to be found. The Minister of Marine and Fisheries certainly had a vision that day, because the railway has never yet been built up to Grand Falls, and from what I know of the hon. minister, I am positive that that road will never be built up to that point as long as he has anything to do with the construction of it.

I have listened to-day to the remarks of my hon. friend the Minister of Public Works, and I believe he has the same vision as the Minister of Marine and Fisheries had. He seems to have a positive assurance that the railway will be built up to Grand Falls. Four years hence, if my hon. friend is on this side of the House, I will tell him that he has had his vision just as the Minister of Marine and Fisheries had. Now, it is just as important to-day to build this railroad as far as Grand Falls as it is to build it to St. John, because we want to have a through route from the upper part of the province of New Brunswick down to the best winter harbour in the Maritime Provinces. I am not surprised that this railroad is not built as far as Grand Falls. In 1912, our friends the Tories won an election in my county on the question of that railroad. The two candidates for the present administration stated to the electors of that county that, if they refused to vote for them, they would never have that railroad built as far as Grand Falls. The result was that a little Liberal majority turned into a small Tory majority and the Government elected their two candidates. Another election is coming on pretty soon, probably this year, in the province of New Brunswick, and in the county of Victoria something must be said in connection with this railway, and the people will probably again be called upon to give their vote to the Government

in order to have a terminus of the Valley railway at Grand Falls.

We have had a discussion on the question of a bridge to be built at Andover, and I understand from the reports given to-day that the bed of the river is not very good. There are to-day at Andover two bridges built across the St. John river, a highway bridge and a railway bridge, and I have never heard from any one yet that the bottom of that river is not suitable to support piers for a good railway bridge. We have many railway connections to-day between the province of New Brunswick and the state of Maine; we have connections between St. Leonards and Van. Buren, at Aroostook Junction, at Debec Junction, and at Vanceboro. I believe we have now enough railways from the province of New Brunswick into the state of Maine. To-day we want to build railroads not going too much into the state of Maine; we want, if possible, railroads from the state of Maine into the province of New Brunswick. As far as the cost of building this road to Grand Falls and St. John is concerned, we have been called upon to pay interest on $4,000,000, and the work is not yet completed. It seems as if the present Government will have a deficit as long as that road is unfinished, and it is important that it should be completed from Grand Falls to St. John in order to give a long haul and thus ensure a good revenue to this Government and to the Government of the province of New Brunswick in order to operate the road in the best manner possible.

Mr. A. B. COPP (Westmorland): Mr. Speaker, I would not be doing justice to myself as a representative of the province of New Brunswick if I failed to add a word or two to the subject which is now under discussion and in which every citizen of New Brunswick must be very much interested. During the greater part of the time that this subject was under discussion in the Provincial Legislature, I happened to be a member of that body and therefore I know something about what took place—in regard to bringing down the legislation that finally resulted in the commencement of what is known as the St. John Valley railway. I remember back as far as 1904 and 1905 when this matter was brought up in the House of Assembly in the province and was discussed pro and con by the Government of the day and the Opposition which, at that time, was led by my hon. friend the Minister of Marine and Fisheries. Delegations from different sections of that part of the province waited upon the Government, pressing upon them the great necessity of giving railway communication to that portion of New Brunswick. My hon. friend from the city of St. John, who, at that time, was a member of the Provincial Government, will remember that the whole discussion rested upon the only real proposition that could be considered: that of linking the railway up with some transcontinental system that would give direct entrance into the city of St. John. My hon. friend the Minister of Marine and Fisheries, who was the leader of the Opposition at that time, made in the Legislature of 1907 a speech in which he used these words:

> I am quite satisfied that as a purely local road the railway would not pay, and I have every confidence that as part of the Transcontinental system it would be highly beneficial to the province and would not cost the people anything at all.

These are the words of the Minister of Marine and Fisheries, at that time leader of the Opposition in the province of New Brunswick. Shortly after he uttered these words he came into power as Premier of that province. I was a member of the provincial legislature at that time. As soon as the Government of the hon. gentleman (Mr. Hazen) came into office they took up the question of making some arrangement for building the railway down the valley of St. John. My hon. friend from the city of St. John (Mr. Pugsley) was a member of the Dominion Government of that day, and my hon. friend from Carleton (Mr. Carvell) was also a member of this House, and both of them took great interest in assisting the Provincial Government to arrange some reasonable scheme by which the railway might be built. The proposition put forward was that the province of New Brunswick was to guarantee the bonds of the road from Grand Falls to the city of St. John at the rate of $25,000 a mile, and that when the road was completed the Intercolonial should take it over and operate it and pay 40 per cent of the gross receipts to the company. I know how long and thoroughly this matter was discussed and how anxious every member of the legislature was to give all assistance, so that this old-settled portion of the province, which was without railway accommodation while other portions of the province were well supplied, should be traversed by a well-constructed railway. They realized

that it was doubtful whether there would be traffic enough along that river to pay the running expenses of a railway, yet every person was sympathetic and desirous of doing everything possible to put the road through. Legislation was passed under which the province should guarantee the bonds to the amount of $25,000 a mile. I was then a member of the Opposition in the provincial legislature, and we were very anxious that there should be no question as to this legislation, so that we might be assured of having the entire railway built from Grand Falls to St. John. I state merely the fact when I say that there was grave misgiving in the minds of many people in New Brunswick, including some members of the legislature. as to whether or not it was the intention of the Government to build from Grand Falls to St. John. We urged upon the Government the great necessity of making the legislation clear. One of the members of the Legislature, a member of the Opposition, moved an amendment to provide that the road must be commenced at Grand Falls at one end and at St. John at the other end. And when that amendment was voted down by the supporters of the Provincial Government, great doubt was aroused throughout the province as to the sincerity of the Government in its declared intention to build the entire road. The doubts then entertained have been verified to the letter; for we have to-day the announcement by the Minister of Public Works on behalf of the Government of this Dominion that it is not the intention of the Provincial Government to build the road to Grand Falls. That never was their intention; they were simply playing politics at that time, and they are playing politics to-day. The Minister of Public Works reads correspondence on this subject; but does he expect the members of this House and the people of this country to believe that this whole matter has been worked out in one short week and the conclusion reached within that time to build a railway from Gagetown to Westfield? Let me tell the Minister of Public Works (Mr. Rogers) and the Minister of Marine and Fisheries (Mr. Hazen) what I told the latter when he was Premier of New Brunswick—that I doubt very much if it is the intention of the province even to build a road from Gagetown to Westfield. I venture the prophecy that the road will not be built from Gagetown to Westfield, but from Gagetown to Welsford on the Canadian Pacific railway. Mark my words and see if they do not come true. When my hon. friend (Mr. Rogers) tries to make this House believe that the Government intends to build from Gagetown to Westfield, he is counting too much upon the gullibility of the people of New Brunswick, who know the situation better than he knows it. When, in 1914, the Provincial Government asked the legislature to authorize an additional guarantee of bonds for $10,000 a mile, they deceived the members of the legislature in the statement they made. Representatives of the Provincial Government came to Ottawa for the purpose of getting some assistance to build the bridges across the rivers St. John and Kennebecasis. The delegation was composed of the present acting Premier of New Brunswick and a prominent member of the legislature, Mr. Tilley. At that time the legislation was being held up for a few days while the delegation was here seeking a guarantee for the building of the bridges. These gentlemen returned from Ottawa and brought back a report that they had an alleged promise from the Federal Government of $3,000,000 to aid in the construction of the bridges. But now my hon. friend the Minister of Public Works comes down and shows that on the strength of a letter written by Dr. Reid to the acting Premier of New Brunswick, the latter does not wait overnight, but calls the Government together and wires back that they accept without any question to change the route and instead of extending the road to St. John they intend to run a line to Westfield and thence to St. John over the C.P.R.

Let us see how the members of the House of Assembly treated the guarantee they received from the Government with regard to aid to the building of the Valley railway. The gentleman who is now Attorney General of the province of New Brunswick had very grave doubts as to whether the province should make a further guarantee of bonds to the extent of $10,000 a mile. But, finally, after the delegation had returned from Ottawa, the views of the Attorney General of the province were represented as follows:

> But the road must be build through from Grand Falls to St. John, and he felt justified in voting for a measure which provided for putting it through and putting it through on time.

I ask my hon. friends what the attitude of the present Attorney General of the province must be. I have read the reason that he gave on the floor of the legislature for supporting the increased guarantee of bonds of $10,000 a mile—that the road was going

through from Grand Falls to St. John. Another gentleman who used practically the same argument was Mr. White, from the county of Victoria, who was referred to by the hon. gentleman who has just taken his seat. He had very grave doubts about the extra guaranteeing of these bonds, but he said that he was extremely glad to hear that the line was going to Grand Falls. Referring to his remarks, a report says:

He was very pleased to hear the other night the Premier remark that the road would not be tied up to the Canadian Pacific railway.

What position does the hon. gentleman from Victoria stand in? He accepted the word of the Premier of the province at that time that the road should be built from Grand Falls to St. John. On the statement made by the Government of that day, one of its supporters said that he voted for the measure simply because the road was going from Grand Falls to St. John. The views of another hon. gentleman from the city of St. John, Mr. Grannen, are expressed as follows:

Now that they had the assistance from Ottawa and the assurance that the road would enter St. John from the east, he would give the Bill his hearty support.

According to this evidence, the hon. member of the city of St. John was well within the mark when he said that the people of the province of New Brunswick had been deceived. Not only were the people deceived; members of the legislature supporting the Government, who assisted in passing the legislation, were deceived by these very statements, and voted for the Bill because the road, according to their belief, was going from Grand Falls to St. John. Let me read just a few lines to show what the Premier of the province of New Brunswick said when doubts were expressed as to where the terminus of this road was to be. These are the words of the Hon. Mr. Flemming:

The negotiations are concluded and a contract was entered into on December 6, 1911, and to set at rest any doubt he would say that the contract called for the construction of a line of railway from St. John, or a point on the Intercolonial railway near St. John, to Grand Falls. The Enabling Act is the same, and the agreement to lease and operate the road, which is signed by the Federal Government the Provincial Government and the Railway Company, calls for a railway from St. John to Grand Falls. And yet, he says, there is a disposition on the part of those opposed to the Government to cast some doubt as to whether the railway will go that far or not.

The very idea that hon. gentlemen in opposition at that time should have the least doubt in their minds as to whether this road should be built from Grand Falls to St. John. I remember the righteous indignation with which the then Prime Minister addressed the House and the people on this subject. Then he goes on to say:

He would cite why the country should be assured that the whole line would be constructed from St. John to Grand Falls. First, there was the contract placed before the House, which should be reassuring to the ordinary mind. There was the contract made with the Federal Government for Intercolonial operation from Grand Falls to St. John. Further, the subsidy had been revoted for the entire line. Did the honourable gentlemen opposite pretend to think and say that the Federal Government would enter into a contract to subsidize and operate a railway which it was never intended to construct? The only thing not absolutely settled was that the approval of the Minister of Railways had not been secured for a definite route between Andover and Grand Falls. The engineers had reported upon two or three feasible routes, and as early in the Spring as possible they would make further surveys, when the route would be entirely agreed upon.

This statement was made because an election was pending at that time in the province of New Brunswick, and the hon. gentleman wanted votes from the sections of the county beyond Andover. The Minister of Railways had not really decided what route should be followed from Andover to Grand Falls. (Reading):

In addition to all that, within the last two or three days a bill had been introduced in the Federal Parliament to guarantee the bonds for the construction of the three great bridges across the Kennebecasis, and across the St. John at Andover.

I fail to see the bridge, Mr. Speaker, at Andover. (Reading):

If it were not intended to build the railway between Grand Falls and Andover, why a bridge at Andover? Whethes the Opposition believed that the Valley railway was going to Grand Falls or not was a matter of indifference to the Government and to the members of the Government side of the House. He had given the people of the province every assurance within his power that the railway would be built, and again he reiterated the assurance that, as soon as possible, that portion between St. John and Andover would be commenced; and immediately thereafter steps would be taken to let the contract for the section between Andover and Grand Falls.

That is what the premier of the province of New Brunswick at that time said to assure the people that the line should be built from Grand Falls to St. John, and that it should be connected with the Transcontinental system, for the purpose of giving railway accommodation to that portion of the line which could not pay running expenses unless it had the advantage of drawing through freight coming over the

Transcontinental to the winter port of St. John. What possible excuse can the Government give for taking their present attitude? My hon. friend says that it is going to be cheaper to build the road from Gagetown over to Westfield and on to St. John, than it would to build it the other way.

10 p.m.

That is not the promise that was made to the people of the province of New Brunswick. The promise made by the Government of New Brunswick, backed up and guaranteed by members of the Dominion Government, was that we should have a through line of railway from Grand Falls to St. John. Now we are to have a short piece of road running from Centreville, in the county of Carleton, to Westfield, or, I believe, Welsford, on the line of the Canadian Pacific railway. Upon the promise of the Government of the province of New Brunswick, and also of this Government, that they should have this through line, the province guaranteed the bonds and pledged their credit for at least $6,000,000. What have the province of New Brunswick got in return for the pledging of their credit and the spending of this money? Nothing but a short local line of railway from Centreville to Westfield—if they get it even to Westfield. I contend that the province of New Brunswick has not been fairly treated. With a population of only 350,000 people, they have been forced to pledge their credit to the extent of this large sum of money. It is a sin and a shame that this Government should attempt to assist the Government of the province of New Brunswick to change their course, to continue their deception and their fooling of the people in this matter of railway accommodation, and to pledge their credit for so large an amount. It is putting a load on the shoulders of the people of the province of New Brunswick that they are not able to bear. I sincerely hope that the Acting Minister of Railways and Canals, before giving the assistance proposed, will take up the matter earnestly and deliberately with the government of New Brunswick, and try to work out some arrangement by which the original intention, as regards this road, will be carried out, and so give to the people of that section of the province a railway from Grand Falls to St. John along the route intended, on the east side of the river St. John. My hon. friend speaks of going across from Gagetown to Welsford.

Mr. ROGERS: I did not say Welsford.

[Mr. Copp.]

Mr. COPP: I mean Westfield, but I venture to predict that my hon. friend will say Welsford before this time next year. As sure as the sun rises in the East and sets in the West, he will tell us that it will be from Gagetown to Welsford, on the Canadian Pacific railway. That is what will take place. My hon. friend will come here next year, and if he has the privilege of speaking as Acting Minister of Railways, he will say that things have changed, that Mr. Gutelius, Mr. Montsarratt, and Mr. Brown have told him that there is a better route up to Welsford. That is the excuse they are offering now in regard to the changed route, and they will offer it again next year. Ever since the hon. Premier of the province met Mr. Van Horne at McAdam and rode in his private car to Montreal, as far back as that, it was decided that the Valley railway would be an adjunct of the Canadian Pacific railway, and nothing else. That was the belief then, and it has become stronger and stronger every day. My hon. friend this afternoon, when speaking of the route of the road, gave ample proof of the reasonableness of the doubt that has existed in the minds of the people of the province of New Brunswick. That doubt has not been dissipated, and in my opinion it never will be dissipated. Before many years have passed over the head of my hon. friend, he will find this road being operated practically by the Canadian Pacific railway, as part of their system, and the little province of New Brunswick will be obliged to pay interest on the bonds for all time.

Mr. O. TURGEON (Gloucester): Coming from the northern part of New Brunswick, from the country furthest from the district over which this railroad is to be built, I deem it my duty to say a few words. My hon. friend the Minister of Public Works has asked the people of the province to have faith in the Government. Faith is acquired or lost according to the direction given by the Administration. I believe it will take a great deal of persuasion on the part of the hon. Minister of Public Works to restore faith in the minds of the people of New Brunswick. This question of the St. John Valley railway is an old question in the province of New Brunswick. No local Government attempted to vote money for such a railway, because the other portions of the province, northern New Brunswick and eastern New Brunswick, were always opposed to it. The hon. Minister of Marine and Fisheries, when he was

leader of the Opposition in New Brunswick, declared that a road through that valley, operated as a local road, could never be made to pay its expenses. The people of northern New Brunswick, whom he represented in the Legislature, and whom we represent in this House, were never in a position to give a vote in favour of granting money towards the building of that railroad until it was proposed to make it a part of the Transcontinental railway from Grand Falls to St. John in order to ensure further development of the trade from the West to the maritime port of St. John. It was to be no adjunct of the Canadian Pacific railway, but part of the Transcontinental railway, starting from the proper point at Grand Falls to St. John. But the moment that the promise of the Government at Ottawa and of the Government at Fredericton was not carried out, the people lost faith. The moment that construction was not begun at Grand Falls, which from a business standpoint was the proper starting point, the moment the Government delayed carrying out that part of the contract and Grand Falls was left out, the people of New Brunswick lost faith in the negotiations between this Government and the Government of New Brunswick. To-day the people of the province are called upon to pay an enormous expense in connection with that railway, and in a deceptive way. They were willing to undertake the burden of that expenditure for the further development of Canadian trade, connecting with the Transcontinental railway, but not for a local road to suit the convenience of the Canadian Pacific railway, as has been well said by the speakers who have preceded me. I only wish to express my own feelings and to voice the disappointment and loss of faith of the people of northern New Brunswick in the Conservative Government at Ottawa and the Conservative Government at Fredericton.

Mr. CARVELL: If no other hon. gentleman has anything to say, I wish very shortly to refer to the frank confession made by the Minister of Public Works this afternoon. I thank him for his sincerity in explaining to us the position as, I think, it exactly exists, or at least exactly as it was given to him. If we have accomplished nothing else by this discussion we have cleared the atmosphere, and the people of New Brunswick will now know, not the worst, perhaps, but something about the terms and financial burdens that are staring them in the face, and that are likely to continue for generations to come. Just here I should like to say that, while, perhaps, I am a hard political fighter, I am glad that my hon. friend the Minister of Marine and Fisheries, a gentleman for whom I have the greatest regard, has been saved the humiliation of being present this afternoon and listening to the confession made by the Government through the lips of the Minister of Public Works. I think we can also extend our sympathies, to some extent, to the Minister of Railways, whose illness has saved him the humiliation of coming here and making the confession himself, instead of having it made through the Minister of Public Works, who, of course, has no great personal interest in the matter. From all that has been said by hon. gentlemen this side of the House, I think the Minister of Public Works must have been convinced that a part of the solemn pledge, or contract, between this Government and the Government and people of New Brunswick was that this road should be built from Grand Falls to St. John, and become part of the through line over which transcontinental business would pass. We have the positive statement of the Government of Canada that, so far as they were concerned, they did not want the road to go north of Centreville.

Mr. ROGERS: I did not say that.

Mr. CARVELL: Let us see. I did not take down my hon. friend's exact words, but he read a letter from Mr. Gutelius, in which it was stated that they saw no advantage in building the road north of Centreville. But he thinks he can smooth it over for his friends in the province of New Brunswick and he said that they hoped at some time in the future to carry out the contract and continue the road to Grand Falls. I think I am correctly giving the statement made by my hon. friend. As far as the present is concerned, and the future too, that is the end of it; it goes to Centreville and stops there. No matter what the ambitions and wishes of the local government in New Brunswick may be, without the hearty co-operation and assistance of this Government, without an undertaking that they will take over and operate this road, no government in New Brunswick ever could get the money, or would ever dare try to get the money, to carry on the work. From the time this Government takes the attitude that they

will not operate the road north of Centreville, that is the end of it and it will never be built.

Then the Minister of Public Works has also stated that they are satisfied with the connection through McGivney junction because he states that the great object, so far as the people of Canada is concerned, is to get direct connection with St. John. It makes one laugh to hear the hon. gentleman dilate upon the advantages of that great winter port, about the anxiety of this Government to develop it and how the people of the city of St. John are going to see the business pass through it. I felt I could almost discern tears in my hon. friend's voice when he discussed that question. But in so far as they are concerned, the hon. gentlemen opposite are satisfied to have this business go through McGivney junction. The hon. gentlemen dilated upon the importance of having this road finished at once in order that this great volume of business might go through the port of St. John and that the province might be saved from any further loss. He has no hesitation in making the prophecy that the moment this road is completed down to some point on the Canadian Pacific sufficient business will go over the road to make it possible that 40 per cent of the earnings will pay the interest on $6,000,000. Has my hon. friend considered what that means? Of course, I know he has not, because my hon. friend naturally could not know very much about it. I gave him very great credit for the intelligence with which he discussed the matter this afternoon, not knowing the particular location. But he must remember that there are 52 plus 25 miles which makes 87, or 88, miles of this road from Fredericton down to Centreville which is nothing more than a branch line of, or a feeder for, the Canadian Pacific and over which no great amount of business can ever be hoped for because it simply goes through an agricultural country. It is as rich a country as you will find anywhere in Eastern Canada, but yet it cannot supply sufficient business in order that 40 per cent of it may pay the interest on $35,000 a mile because that is what the province will have to pay for the road. From Fredericton to Westfield, you would have somewhere about 60 miles of line. Let me ask my hon. friend what would be the proper proportion of a car of wheat from Winnipeg to St. John passing over that 60 miles of road and how much does he think that 60 miles would earn out of the 2,500 miles of road from Winnipeg to St. John. Why, Sir, if he had 25 cars a day during the whole year I do not believe he would have enough to pay the interest on this sixty miles of road to say nothing of the interest on the other eighty-seven miles from Fredericton north. While it may look rosy to him, and while his engineers may have painted a bright picture and may have made him believe that this connection from McGivney junction would be all that would be required, and would put the province in a position to pay this interest, all I have to say is that they do not know what they are talking about or that they have refrained from giving the minister the information. I am pointing out now the other side of it because, carrying out this present arangement, there are 87 miles costing $35,000 a mile and out of local business only the railway can never pay interest. Under this present arrangement I have no doubt that with the most favourable conditions the people of the province of New Brunswick will have to pay some $100,000 to $200,000 a year interest for all time to come. That is a very serious question and I do not believe many hon. gentlemen on the other side realize what it does mean. It would not be very much for the province of Ontario, it would not be an awful burden to some of the western provinces having great resources, but it is a millstone around the neck of the people of New Brunswick which will be felt for all time to come. I wish the Minister of Public Works could realize this as we realise it because even now it is not too late to mend, to go back and carry out the original proposal. It is not too late to keep faith with the people of New Brunswick and try to relieve them from the awful financial burden that they see staring them in the face if this arrangement is carried out. Then my hon. friend says they are going to Westfield or, we say, to some other point on the Canadian Pacific. I do not think it makes very much difference because no matter whether they go to Westfield or whether they go to Welsford, it only means that the Canadian Pacific gets a little more of the freight rate. The main point is that if they get to St. John they are not going to have a through connection and they are not going to give us control of the through business originating in the western part of New Brunswick.

Mr. ROGRS: We have running rights over the Canadian Pacific.

Mr. CARVELL: You will get running rights over the Canadian Pacfic, but as far as the people of New Brunswick are concerned, they will end when they get to Westfield.

Mr. ROGERS: That is only temporary.

Mr. CARVELL: I will give my hon. friend credit for being sincere in making his statement, because I think he is absolutely sincere, but he does not know the conditions. You talk of building another road from Westfield to St. John paralleling the Canadian Pacific through those rock cuts. I do not know of a piece of railway in Eastern Canada that is any more expensive, or would be any more expensive to build, than paralleling the Canadian Pacific from Westfield to St. John.

Mr. ROGERS: The engineers say it can be done for $700,000 less than the other.

Mr. CARVELL: That is $50,000 a mile. I do not believe it.

Mr. ROGERS: That covers the line from Gagetown to St. John.

Mr. CARVELL: They can build a line from Gagetown to Westfield for $50,000 a mile, but to say that they can build it for $700,000 is absolute nonsense.

Mr. ROGERS: That is the report of the engineers.

Mr. CARVELL: You could not build that road from Westfield to St. John for $50,000 a mile. You could not build it for $60,000 a mile. If any hon. gentleman will keep in his mind what I am saying and the next time he goes to St. John over the Canadian Pacific, if he will just look out and see the kind of country through which he is travelling, the rock cuts and difficult country for the last ten or twelve miles before getting to St. John, he will realize that what I say is true. I do not care if all the engineers in the country would say so; our ordinary, common sense teaches us that these statements are absolutely untrue and impossible. When you come to cross the St. John river, it will cost $600,000 or $700,000 to bridge the St. John at its mouth. My hon. friend from St. John (Mr. Pugsley) stated a short time ago that the present bridge is inadequate. They have to rebuild the present Canadian Pacific bridge across the Falls. If the Government attempted to build another bridge across there and get a right of way from that bridge into the city of St. John, and to the Union Depot, $50,000 a mile, $100,000 a mile, $200,000 a mile would not pay for the cost of getting from that bridge into the Union Station. When they get to the Union depot, they are still some two or three miles from Courtenay Bay. The whole thing is impracticable, and when my hon. friends talk about it, they are talking about something which they know is not feasible, and which they know cannot be carried out. It simply means that they have decided to join on to the Canadian Pacific railway at Westfield and stop there. That is the end of the whole transaction. It is true that they may get running rights over the Canadian Pacific railway for a consideration, but they will be subjecting themselves to the control of the Canadian Pacific railway, and they will have to pay a pretty big percentage in order to get the Canadian Pacific railway to haul their freight over the fourteen miles. My hon. friends may think I am talking a little severely, but I know conditions down there; so does my hon. friend from St. John, and all our friends from New Brunswick. I wish the hon. member for Charlotte (Mr. Hartt) were here. He knows conditions down there. So does the Minister of Marine and Fisheries. I see some of my Conservative friends from Nova Scotia opposite. They know conditions down there, if they would only speak up and say what they think of this fantastic story that the minister has been narrating, and which was prepared for him by somebody else this afternoon. It is the merest fantasy, with no foundation in fact whatever. The story is absolutely impossible. It simply comes down to this. There are only two schemes. One is to go to Westfield and stop there, and get the Canadian Pacific railway to haul from there in; and the other is to cross the river farther up, by what is called the bridge route, and strike the Intercolonial railway at Rothesay, and from there go to the terminals over their own tracks. Am I to understand from the statement and conclusions of the Minister of Public Works that if this extension to Vanceboro is ever built, it will have to be built by the local Government?

Mr. ROGERS: I did not say that it would be built to Vanceboro.

Mr. CARVELL: I will qualify that: either to Vanceboro or some other point on the American system of railways. But am I to understand that wherever it is built to

it will be built by the Government of New Brunswick, and not by the Dominion Government?

Mr. ROGERS: That is the proposal made by Mr. Gutelius. I do not know whether the Provincial Government has agreed to it or not.

Mr. CARVELL: I want to be fair. I believe the minister told me some time ago that the New Brunswick Government had not accepted the proposal. We want the people of New Brunswick to know exactly what the proposal is, and exactly what the Government of New Brunswick is doing, because we have a lot of difficulty in ascertaining from the Government of New Brunswick the true condition of affairs. We have to adopt these methods in order to get information for the people of our province. That was our object in bringing this matter up, and I thank the Minister of Public Works for being so perfectly frank and honest about it. He has told the whole story, and now we should be able to send the Hansard down to our people in Fredericton, and they will know the story exactly as it is. It is sometimes a great satisfaction to be able to come here and get evidence which has been denied to us at home.

My hon. friend referred to the fact that this road might be built from some point on the Valley railway, other than the point a few miles above Fredericton to Vanceboro. I have heard that idea discussed for the last eight or ten years. The theory is that they would turn off somewhere near Meductic, twelve miles below Woodstock, then go in a southwesterly direction and strike the Maine Central either at Danforth, or possibly as far west as Mattawamkeag.

Mr. ROGERS: Bancroft.

Mr. CARVELL: They might possibly strike it at Bancroft. But the route I have described is the story as I have heard it for the last six or eight years. In fact the Canadian Pacific Railway went so far as to have that line surveyed. I think it was surveyed up to Mattawamkeag. It may possibly be that their object in doing so was to get rid of utilizing any portion of the Maine Central. They have running rights from Mattawamkeag to Vanceboro, and they may have intended to go far enough west to eliminate any portion of the Maine Central system. But there is a great bend in the Maine Central railway, and I think the nearest point would be Mattawamkeag, but whether Mattawamkeag, Bancroft or Danforth you would be compelled to build from 15 to 25 miles of railway through American territory. My hon. friend said this afternoon that the American railways were always out for business. Yes, they are, but I want to tell him that the Maine Central Railway is not out for building any more railways through that country, because there is another railway called the Bangor and Aroostook Railway, the majority of the stock of which we are generally led to believe is owned by the Maine Central, although the company is an entirely different entity. The country through which this road would run would not produce any business whatever. The Maine Central would never build a road through that country.

Mr. ROGERS: They would if they could get a lot of business.

Mr. CARVELL: They can get exactly the same business at Vanceboro, and by getting it there, they get a longer haul. There is no use in my hon. friend talking about the Maine Central building a railroad through that country. Why, if they did it would be a shorter haul for themselves, and they are not such great idiots as to do that. So the gentlemen who have been putting up this story to my hon. friend and the Acting Minister of Railways, of making connections at Bancroft or Mattawamkeag with the American system of railways have simply been fooling them. There is nothing to it, and there never can be anything to it. And even supposing the road was built you would be compelled to haul the freight of Nova Scotia and eastern New Brunswick fifty miles up along the Valley railway before turning it over to this new section. Therefore the whole thing is only a dream, something conjured up. I do not know whether it was conjured up by Mr. Gutelius as a reason for advising this Government to go back on their agreement with the people of New Brunswick, or whether it was conjured up by the Government of New Brunswick as a reason for their going back on their agreement. One is about as bad as the other, and I think it is just the tossing up of a copper whether this nonsensical scheme originated with Gutelius or with the Government. We believe this at least: That if it is left to the Government of New Brunswick to build, it will never be built, and there will never be any harm in it.

There is just one other point, and I hope, Mr. Speaker, you will pardon me if I travel a little out of the line of answering my hon. friend's statements. It is a most remarkable thing to find a Conservative Government, not only of New Brunswick, but of Canada, taking to building more railways in order to get our produce to the United States.

Mr. PUGSLEY: More truck with the Yankees.

Mr. CARVELL: Why, these are the very gentlemen who were tearing their hair out four years ago for fear there would be more trade with the Yankees; the men who were waving the Old Flag about, who said that the lines of communication should be east and west, and not north and south; who said that we should not have any truck and trade with the Yankees, but should trade among ourselves; who said that the manufactured products of Ontario should be sent east to Nova Scotia and New Brunswick. That was the truly loyal way of carrying on the affairs of this country. And now these same people, in the space of four short years, are not simply advising, but compelling, or trying to compel the New Brunswick Government to build a road at a cost of $1,500,000 in order that we may be able to trade with these despised Yankees. Truly, four years have wrought a wonderful change in the feelings of hon. gentlemen opposite. I congratulate them to this extent: that if they are not sound on their railway policy they are a great deal sounder on their trade policy than they were a few years ago, because, so far as we are concerned in my portion of Canada at least, we have no objection, whatever, to all the truck and trade with the Yankees that we can possibly have. It is in the United States that we sell a large part of our produce and where we try to make our money and we have no scruples whatever in trading there. They cannot make the trade too free and too easily accessible so far as we are concerned, but we do object to the expenditure of this $1,500,000 of our good money in order to help Mr. Gutelius work out his scheme or in order to help the Government of New Brunswick out in their troubles with the people, because such a scheme is not necessary as we have now between the city of Fredericton and the American border all the railway communication that can possibly be required. As was pointed out by my hon. friend from Victoria (Mr. Michaud) a little while ago, we have the Canadian Pacific railway running from Fredericton to Vanceboro; you go up sixty miles and there the Valley railway makes a connection with the Canadian Pacific railway which goes into the state of Maine again at a place called Houlton via Debec Junction. You go sixty miles above that and you come to another place where the railway could, if it came up to Andover, connect with the Canadian Pacific railway and go into the United States again.

Mr. ROGERS: Have you a connection at Woodstock?

Mr. CARVELL: Yes, the Valley railway connects with the Canadian Pacific railway, and the Canadian Pacific railway runs into the United States a few miles below Woodstock. Then you go up to Aroostock Junction and the Canadian Pacific railway connects there and runs into the state of Maine, and there is another connection between St. Leonards and Van Buren. With all these connections with the United States, it seems remarkable that my friends want the province of New Brunswick to spend $1,500,000 in order to have another connection paralleling the Canadian Pacific railway, but I hope the expenditure will not have to be made. I again thank my hon. friend the Minister of Public Works for his extreme courtesy and honesty in giving us so much information, and I can only trust that the resolution will carry and that the papers will be brought down before the close of the present session; in fact, if they are brought down within a week or ten days, it will be of great importance in discussing this matter when it comes up in the legislature of New Brunswick.

Motion agreed to.

PROHIBITION OF INTOXICATING LIQUORS.

PROHIBITION BY PROVINCES.

Mr. J. J. HUGHES (Kings, P. E. I.) moved:

That, in the opinion of this House, it is desirable that necessary action should be taken by the Government during this session to secure an amendment of the British North America Act so as to empower the Legislature of any province to prohibit the importation of intoxicating liquors into such province and the manufacture of such liquors within the province.

He said: Mr. Speaker, when the debate on this subject commenced the discussion was widened to include the resolution which stood on the Order Paper in the name of the hon. member for Vancouver (Mr.

Stevens), and also the resolution that stood in my name, because, although the resolutions were somewhat dissimilar, yet they referred to one subject, the prohibition or restriction of the consumption, sale and manufacture of intoxicating liquors, and they were, therefore, alike in certain particulars. The discussion the other day was taken part in by several hon. members, and the hon. member who moved the resolution and the hon. member who seconded it spoke at considerable length. As it would be well, if possible, that as many members of this House as wish to take part in this discussion should have an opportunity of doing so, I will endeavour to make my remarks brief. There would really be no necessity of making lengthy remarks, because I do not think any argument is necessary to convince the great majority of hon. members of the desirability of legislation along the lines proposed, that is, to restrict, and, if possible, to prohibit the large consumption of alcoholic liquors in the Dominion of Canada.

Two speeches were made in opposition to the proposed legislation, one by the hon, member for North Waterloo (Mr. Weichel), who read an article which bore all the marks of having been prepared outside of Parliament by some person or persons interested in the liquor business. As it was, therefore, a megaphonic utterance, I do not think it is necessary to pay any further attention to it. There was, however, a speech delivered by the hon. member for St. Hyacinthe (Mr. Gauthier), which contained some original statements, if not original ideas, and I think his speech ought to receive some consideration. The hon. member for St. Hyacinthe mentioned two countries in which the people were very temperate, but had other qualities that were very much to be deplored, and he wished the inference to be drawn that it was because the people of those countries were temperate that they were not otherwise desirable people. He instanced Turkey, saying that the Turks were very temperate, but that we should not imitate their habits and customs. I do not know much about the Turkish people, and I have not read much of their history; I have, however, spoken to some men who have travelled in Turkey and traded with the Turks, and I have been informed that, apart from their religion, which makes them consider it a meritorious deed to shed the blood of a Christian, they are a pretty good people, and that, for instance, the word of a Turkish merchant is as good as his bond.

Mr. NESBITT: His bond is all right.

Mr. HUGHES: Yes, his bond is all right, and we have seen instances of Turkish magnanimity. It is recorded of them that at the Gallipoli peninsula they showed a magnanimity and a chivalry which the Austrians, or at least the Germans, have not shown in the great war that is now raging, but I am sure that the hon. member for St. Hyacinthe (Mr. Gauthier) would not suppose for a moment that the Turkish character would be improved if they added intoxicating liquors to their national beverages.

Then, the hon. gentleman dwelt at some length upon the character of the Spanish people. His object was quite apparent. He said:

> Spain, where hatred, where vendetta, where the bitterest passions of humanity are in full flame, is the most temperate country in the world.

I have read something about the character of the Spanish people. I have read books by English ladies and English gentlemen who have travelled in Spain, who have lived in Spain, and know the character of the people, and who, not being of the same religious faith as the Spaniards, I suppose, would not be prejudiced in their favour. Yet these authors have borne testimony to the splendid character of these people in many respects. Of course, they have the warm southern blood, they are quickly excited to anger, and apt to resent an insult or injury, fancied or otherwise. Yet they are quick to forgive, and when they forgive they forget. But we are told concerning the Spanish people that they are hospitable to a degree, that their family life is pure and sound, and in many cases beautiful, and that they are not only temperate but honest—bars and locks are practically unknown in that country. In Spain the poor are not despised, nor is wealth worshipped. The beggar in the streets of Madrid, according to the books I have read, does not ask for alms in an abject or servile way, but as a brother in distress would ask his brother for help; and if he has to be refused, the man who refuses him apologizes for not being able to help his brother in distress. Should we not be justified in saying that the temperate habits of the people have much to do with their character in these respects? I think we should. Perhaps the hon. member for

St. Hyacinthe (Mr. L. J. Gauthier) has taken his knowledge of the character of the Spanish people from George Borrow, Ford, and others, who, it is said, dipped their pens in gall and wormwood, who went to Spain strongly prejudiced, and wrote for the purpose of maligning the people of that country. We are told by men who have travelled in Great Britain—and I believe it is unfortunately true—that alongside of great wealth in that country there is abject, degraded, hopeless poverty. Might we not be justified in attributing that condition of things to the unfortunate intemperate habits of the people? It might perhaps take some courage to speak of the Spanish people in the way that my hon. friend from St. Hyacinthe spoke of them, for the Spanish people have practically no votes in Canada; but I did not think my hon. friend from St. Hyacinthe possessed that kind of courage. The hon. gentleman also spoke of the people of his province in no complimentary terms, because at some elections there recently they voted in large numbers for the prohibition of intoxicating liquors. He told us that they were assembled in the churches before they went to the polls and were made to swear how they would vote, and then went to the polls like sheep. I do not think the people of the province of Quebec are that kind of people; I do not think they would be such poltroons as to submit to dictation of that kind. But the other members from the province of Quebec, are quite able to take care of the reputation of their own people. I believe the member from St. Hyacinthe has maligned the people of his own province, and I believe that years hence the statement made by the hon. member may be quoted against the character and methods of the people of that province.

Mr. MORPHY: Has the hon. gentleman made any inquiry to find out whether the hon. member for St. Hyacinthe told the truth or not?

Mr. HUGHES: No, I have not made any inquiry, and I am not denying the statement; but I say that I do not believe it to be true, knowing what I know of the people of Quebec. The hon. member for St. Hyacinthe himself does not seem to be afraid of coercion being brought to bear upon himself, when he openly gave voice to such sentiments as he did in this House. And so I do not think there is coercion of that kind practiced on the people of that province.

The hon. gentleman (Mr. Gauthier) said that prohibition is frequently followed by an increase of intemperance, and that it was so followed years ago in Great Britain. That is a strange statement to make. Why in the world should he oppose legislation of this kind? Why should the distillers and brewers of Ontario be so opposed to it, if it will promote intemperance, if it will promote the greater consumption of alcoholic liquors? The hon. gentleman from St. Hyacinthe, I am inclined to think, proved more than was necessary.

Mr. EDWARDS: Surely the hon. member is not trying to say that the hon. member for St. Hyacinthe wants to see an increase of intemperance? Or is that his argument?

Mr. HUGHES: I am making my own argument.

Mr. EDWARDS: And making a mighty poor fist of it.

Mr. HUGHES: It does not seem to please my hon. friend from Frontenac (Mr. Edwards), and I am sorry for that. I do not know what object he has in view.

We have been told that legislation of this kind is an infringement upon personal liberty. I have read a statement made by Sir Victor Horsley and by others to the effect that a very large number of children are born into the world mentally and physically defective by reason of the intemperance of their parents and grandparents. Investigations were made some few years ago by Dr. MacNicholl of New York among the school children in that city, and he found that a large number of the mental and physical deficiencies of those school children were due to the excessive use of alcohol by parents or grandparents. I saw an article in a magazine a short time ago which had been written by a medical gentleman connected with recruiting in Great Britain, in which it was stated that the number of persons presenting themselves for examination for the army who had mental and physical defects was very large indeed—almost startling. The writer referred also to the large number of persons whose mental and physical defects were such as to cause them to refrain from presenting themselves for examination. Considering also the number of females born under similar conditions, it will be realized that the number of children that are born into the world mentally and physically unable to

take their proper place in life on account of indulgence in alcohol on the part of their parents is exceedingly large. What about the personal liberty of these people? Born under those conditions and handicapped in all the relations of life, are they not to be considered, while the personal liberty of a few must be considered for the sake of the self-indulgence of self-gratification which the use of intoxicating drinks may give them? Should the personal liberty of these last be considered, while a large number who are ruined or injured during their whole lives are not to receive any consideration at all? This is a matter well worthy of the consideration of the members of this House, well worthy of the consideration of the people of this country. This is one of the things that is giving voice to the overwhelming sentiment of the people at this time in favour of legislation along the lines suggested in the resolution of the hon. member for Vancouver and in my own resolution, and embodied, I hope, in the Bill which the Minister of Justice introduced today. I do not know how far that Bill goes; we shall know better when it comes to be considered in committee. It adopts, I think, in part, the resolution which I have on the Order Paper; that will be a forward step in the matter of legislation along prohibitive lines. It would be well, I think, if the resolution introduced by the hon. member for Vancouver were adopted by the Parliament, but if that is not thought desirable, and if we go the length of giving full effect to prohibitive legislation in the provinces, that will do much to advance the cause in Canada.

A good deal has been said about personal liberty in connection with this matter, but we cannot have civilization unless the people surrender a good deal of their personal liberty. The only person I ever read of who had personal liberty in its entirety was Robinson Crusoe, and he did not seem to be very much pleased with it, because he got away from it as soon as he possibly could; he got back to civilization and surrendered a good deal of his personal liberty. It is well known to every member of this House that nearly all legislation infringes more or less upon the personal liberty of the individual. The best legislation is that which has for its aim the greatest good for the greatest number.

11 p.m.

The material side of this question is also to be considered. When this war is ended, a heavy burden will press upon the people of this country—the burden of the interest on the war debt. We have also to make provision for the men who come back from the front maimed and broken in body and in mind. They will have to be generously provided for. The dependents of those who fall in battle—those who have given the full measure of their devotion to King and country—will also be generously provided for, particularly if they are in needy circumstances. Generous consideration must also be had for those who return perhaps not broken in health, but who have gone into the danger zone and offered their lives for the Empire and civilization. This will entail a burden upon the country that will be felt for years to come. It has been proved by statistics that the liquor bill of this country is about $100,000,000 a year. But that is only a part of the bill. The inefficiency that the drink habit causes, the shortening of life and the weakening of the system that it brings about, the prisons, reformatories and jails that have to be supported on account of the trade in alcoholic drinks—all these things add at least another $100,000,000 to the cost. Can the country stand this double burden? If there is any question as to what should be sacrificed, certainly the drink habit should be sacrificed. Even men who indulge in moderation should surely be willing to forego the self-indulgence and self-gratification and to make small sacrifice in order to enable the country to deal generously with those men who have to be considered and who ought to be considered. If anything is to go it should be the expenditure on alcoholic liquors.

Mr. MORPHY: Would the hon. member object to the men in the trenches, up to the knees in water, being furnished with liquor, that is, those accustomed to taking it in peace times?

Mr. HUGHES: If the medical men and others in charge of the troops at the front think it advisable, for the good of the men's health, to take the responsibility, I think they would be justified.

For all these reasons, I think the Government is more than justified in taking into consideration the overwhelming sentiment throughout the country at the present time. It is a step that will meet with general approval, and I trust that the Bill, which was submitted to the House this afternoon by the Minister of Justice, will go far enough to meet the wishes of the great majority of the people. If it does, the

Government will deserve the commendation of the people; if it does not, it may perhaps be improved in Committee. I am sure it is legislation that will meet with the support of a large majority of the members in this House.

Mr. A. A. McLEAN (Queens, P.E.I.): Since the resolution now before the House was placed upon the Order Paper, the question has assumed a new phase, by the introduction of the Bill this afternoon by the hon. Minister of Justice. The Bill is entitled:

An Act in aid of Provincial Legislation prohibiting or restricting the sale or use of intoxicating liquors.

My hon. friend from Kings (Mr. Hughes) asks this House to agree to a resolution requesting the Imperial Parliament to amend the British North America Act, so that the Provincial Legislatures would have the power to prohibit the introduction of intoxicating liquors from outside. Now, my hon. friend has not spoken on his resolution at all; he has simply spoken about the sobriety of the people of Turkey and of Spain, and he has made an attack upon the hon. member for St. Hyacinthe (Mr. Gauthier) who honestly believes that it would not be in the interests of the people of his constituency to pass a prohibition Act. But my hon. friend has not made any remarks as to how he proposes to have the British North America Act amended. Since the referendum in 1898, which was referred to by the hon. member for Bonaventure (Mr. Marcil), public sentiment in this country has changed to a very great extent. The hon. member for Bonaventure stated that he himself voted at that time against prohibition, but that since then he had changed his mind. I think, Mr. Speaker, that from one end of this country to the other you will find that public sentiment has changed a great deal since 1898. Men who then voted against the introduction in this House of a prohibition Bill, and who voted against the resolutions which were introduced from 1882 to 1889, will to-day vote in favour of a prohibition measure. Evidence of that was very amply given by the hon. member for Bonaventure. He read a great deal of correspondence which had taken place between him and the members of the Temperance Alliance and others, and that correspondence furnished ample evidence to this House and to the people that if this question of prohibition was submitted by way of referendum to-day it would meet with the over-whelming approval of the people, and that even in the province of Quebec, which gave a majority against prohibition in 1898, the majority would to-day be in favour of it.

It has been stated by some members who have spoken that this is emotional legislation, that this legislation is being asked for on sentimental grounds. It may be true that the people are asking for it for sentimental reasons, but I do not think that that is any argument against the introduction of such legislation. As I have said, the sentiment of the people throughout Canada to-day is in favour of prohibition. It has also been stated that legislation of the kind proposed would interfere with the liberty of the subject, that the liberty of the individual would be encroached upon; but if you look at the legislation which has been passed in this House, and in the provincial legislatures of this country in recent years you will find that there has been a good deal of encroachment upon the liberty of the subject. Take the several Acts relating to the liability of employers to their employees; these involved a very drastic step. Years ago it would have been considered legislation which a socialist, or an anarchist, would ask for, but to-day it is legislation which the whole of the people agree is proper and in the interest of the workmen and of the employers. Take the case of the province of Prince Edward Island, where, in 1875, a compulsory land Act was passed. Years ago the British Government gave free grants of land to a number of men who hung around the court, giving sixty-seven townships without any consideration whatever, and when the people came out from the Old Country and found that these lands were not their lands, that they were in the hands of absentee landlords, what did they do? They raised an agitation for a compulsory sale of these lands to enable them to hew out homes for themselves. That agitation was kept up for a great many years. We were told in Prince Edward Island that the legislation would be impossible to pass, that it was too drastic, that it was encroaching upon the liberty of the subject and that it was such legislation as never had been passed in any British Parliament. That was the argument, but nevertheless the Legislature of Prince Edward Island took upon itself to pass that legislation compelling landlords to sell their lands. It was enacted into law and

the landlords asked the British Government to veto the Act but the British Government held that the Legislature of Prince Edward Island had power to pass it. The lands were brought under that legislation and the people of Prince Edward Island obtained by virtue of the powers of that Act free lands with the result that there are no landlords in Prince Edward Island to-day. The same thing applies to Ireland. In that country landlordism was virtually abolished. All the land in Ireland was practically owned by a few landlords in England. Following the example given by Prince Edward Island, the British Parliament, in 1885, passed a law taking away the rights of Irish landlords to their lands upon a certain valuation and compensation. The same cry was raised then, that it was an encroachment upon the liberties of the subject, but the highest court in the British realm decided that the Act was constitutional and to-day we have not only in Ireland, but also in Scotland free lands for the people. There are other measures of a similar kind which I might speak of and which are all measures in the interests of the people.

A few years ago a very drastic measure was passed by this Parliament providing that opium should not be sold openly in drug stores, or other places, without a license. To-day, we find that that article cannot be procured except upon a doctor's certificate in any part of Canada. Those people who come here and say that it is against the interests and the will of the people to pass this Act are taking a position against the interests of the people. In 1884 this Parliament passed a resolution in the following terms:

> That the object of good government is to promote the general welfare of the people by a careful encouragement and protection of whatever makes for the public good, and by equally careful discouragement and suppression of whatever tends to the public disadvantage.

That resolution was passed by the unanimous vote of this House. After the resolution had been passed a plebiscite was taken in 1898 and in the province from which I come the great majority of the people voted in favour of prohibition. In consequence of that vote, the Legislature of Prince Edward Island, in 1900, put upon the statute-book a prohibition Act, the first and only prohibition Act in Canada. It has been said, and you will probably hear it said in the city of Ottawa and elsewhere, that the prohibition Act passed in Prince Edward Island in 1900 has not been observed and that it has done more harm than good. I wish to tell you, Mr. Speaker, and this House, that the Prohibition Act passed in Prince Edward Island has done a great deal of good for that province and has been the means of driving out of the province the sale of intoxicating liquor. There is no doubt that in the country parts of the province there is not a drop of liquor sold and in consequence of the passing of that Act I believe that the wealth of the country has been largely added to. Since 1900 we have progressed very rapidly and I believe there is at least three times as much wealth in that province as there was in the year when the Act was passed. As it is I attribute a good deal of it to the fact that this prohibition Act was passed and that it has been properly enforced.

There was only one matter connected with this Act which had a detrimental effect and that is that liquor could be imported into the province; at any rate, it was thought it could be imported into the province. In the first Act passed in 1900 absolute prohibition was provided for, but when the Act came up here to the Governor General in Council, the Government of the province were informed that it would be necessary to amend the Act by providing that it should not interfere with sales made by people in Prince Edward Island or people living outside of the province. Section 37 of the present Act, which has been consolidated since, was then put upon the statute-book in 1901 in the following terms:

> 37. While this Act is intended to prohibit and shall prohibit transactions in liquor which take place wholly within the province of Prince Edward, except as otherwise specially provided by this Act, and restrict the consumption of liquor within the limits of the province of Prince Edward Island, it shall not affect and is not intended to affect bona fide transactions in liquor, between a person in the province of Prince Edward Island and a person in another province, or in a foreign country, and the provisions of this Act shall be construed accordingly.

That was put upon the statute book because the Government of Canada thought that the legislature of the province of Prince Edward Island had no power to deal with this matter. Although the legislature did make that amendment to the Act, I think they had absolute power to deal with the question. You will notice, Mr. Speaker, that the power or authority which the legislature of any province has, is given to them under and by virtue of the British North America Act. When the

provinces entered into Confederation in 1867, they gave up all their rights to the British Government, the British Parliament gave us a new constitution, and that constitution is incorporated in the British North America Act, 1867. Section 92 of that Act deals with the powers of the provincial legislatures, and among the powers which are conceded to the provincial legislatures is the power to deal with:

Shop, saloon, tavern and auctioneer and other licenses in order to the raising of a revenue for provincial local or municipal purposes.

Section 91 of the Act deals with the powers of the Parliament of Canada, and one of the powers which is granted to the Parliament of Canada is that of dealing with "criminal law and all subjects relating to the peace, order and good government of Canada."

I believe that we have power to pass a law in Prince Edward Island to-day that no person living in that province can have liquor in his or her possession without a license. Why could we not pass such a law as well as we could pass a law here that no person should have opium in his possession? As we have power to deal with intoxicating liquors, why could we not pass a law that no person should be allowed to introduce or take into a province intoxicating liquors without a license? Since the Canada Temperance Act was passed—and that was a prohibitory law—several references have been made to the Judicial Committee of the Privy Council. The constitutionality of the Canada Temperance Act came up, and it was decided that the Dominion Parliament had power to deal with prohibition on the ground that it was a matter relating to "the peace, order and good government of Canada," and that the Provincial Legislature had power to deal with licenses because that matter came under the authority conceded to the Provincial Legislatures by section 92 of the British North America Act. The case best known is that of Russell vs. The Queen, in which the decision was as follows:

The general scheme of the British North America Act with regard to the distribution of the legislative powers and the general scope and effect of sections 91 and 92 and their relation to each other, were fully considered and commented on by the board in the case of the Citizens' Insurance Company vs. Parsons appeal cases, page 96; according to the principle of construction there pointed out, the first question to be determined is whether the Act now in question falls within any of the classes of subjects enumerated in section 92 and assigned exclusively to the legislatures of the provinces. If it does, then the further question would arise, viz, whether the subject of the Act does not fall within one of the enumerated classes of subjects in section 91 and so does not still belong to the Dominion Parliament. But if this Act does not fall within any of the classes of subjects in section 92, no further question will remain, for it cannot be contended, and indeed was not contended at their Lordships' bar, that if the Act does not come within one of the classes of subjects assigned to the Provincial Legislature, the Parliament of Canada had not by its general power "to make laws for the peace, order, and good Government of Canada," full legislative power.

According to this decision, then, although the Provincial Legislatures had power to deal with prohibition, the Dominion Government had also power to deal with the question, and on this ground, namely, under the authority given to them under section 91 of the British North America Act. A few weeks ago a question came before the Privy Council in England, dealing with insurance and on the 24th of February last the Privy Council decided that section 4 of the Insurance Act was ultra vires. That section deals with licensing provincial insurance companies, and foreign companies doing business in Canada. In the course of that case the question of the right of this Parliament to pass a prohibitory law came up, and as the decision has not yet been published it might be of interest to the House if I read it:

It must be taken to be now settled that the general authority to make laws for the peace, order and good Government of Canada, which the initial part of section 91 of the British North America Act confers, does not, unless the subject-matter of legislation falls within some one of the enumerated heads which follow, enable the Dominion Parliament to trench on the subject-matters entrusted to the Provincial legislatures by the enumeration in section 92. There is only one case, outside the heads enumerated in section 91, in which the Dominion Parliament can legislate effectively as regards a province, and that is where the subject-matter lies outside all of the subject-matters enumeratively entrusted to the province under section 92. Russell vs. the Queen (7 A. C. 829) is an instance of such a case. There the court considered that the particular subject matter in question lay outside the provincial powers. What has been said in subsequent cases before this board makes it clear that it was on this ground alone, and not on the ground that the Canada Temperance Act was considered to be authorized as legislation for the regulation of trade and commerce, that the Judicial Committee thought that it should be held that there was constitutional authority for Dominion legislation which imposed conditions of prohibitory character on the liquor traffic throughout the Dominion. No doubt the Canada Temperance Act contemplated in certain events the use of different licensing boards and regulations indifferent districts, and to this extent legislated in relation to local institutions. But the Judicial Committee apear to have thought that this purpose was subordinate to a still wider and legitimate purpose of establishing a uniform system of legislation for prohibiting the liquor traffic

throughout Canada, excepting under restrictive conditions. The case must therefore be regarded as illustrating the principle which is now well established, but none the less ought to be applied only with great caution that subjects which in one aspect and for one purpose fall within the jurisdiction of the provincial legislatures may in another aspect and for another purpose fall within Dominion legislative jurisdiction.

The hon. gentleman who moved this resolution has not given any reason why we should appeal to the British Parliament for an amendment to the British North America Act. I think the decisions I have read, and the fact that the legislatures of the different provinces have passed what are practically prohibitory laws without any let or hindrance, is evidence enough that the provincial legislatures have power to pass prohibitory liquor laws. I do not think any man has any doubt of that. I should like to know what doubts are in the mind of the hon. member for Kings (Mr. Hughes). What reasons can he give why we should appeal to the British Parliament for an amendment to the British North America Act? Even if the Bill which has been introduced by the hon. Minister of Justice does not pass, or should not be considered necessary, we could still achieve our object in another way. We could pass an amendment to the Criminal Code, making it criminal for any person to introduce liquor into any province where the sale of liquor was prohibited. I think by virtue of section 91 legislation of that kind could be introduced, and a heavy penalty provided for a violation of the Act. That is in fact what the Minister of Justice is introducing, although in another form. The power by which we can pass such a Bill as the minister has introduced has been conceded by the Privy Council in many decisions. As the hour is getting late, I beg to move the adjournment of the debate.

Mr. GRAHAM: I suppose this means that the two resolutions will be disposed of at one time?

Sir ROBERT BORDEN: Yes, I suppose so, or, as a matter of fact, the Bill which has been introduced by the hon. Minister of Justice will afford an opportunity for any further debate on the subject.

Motion agreed to, and debate adjourned.

CAPITAL PUNISHMENT STATISTICS.

Mr. ROBERT BICKERDIKE (Montreal, St. Lawrence) moved:

For a return showing:

1. All persons, male or female, who have been capitally convicted in Canada, and in each province, for each year from the 1st of July, 1867, to the 1st March, 1916, specifying the offences, and whether and how the sentences were carried into effect by execution, or otherwise; with the name of the convicts, dates of conviction, crime of which committed, sentences passed, judges by whom sentenced, and how dealt with.

2. All convicts, male and female, who have been reprieved from the execution of capital sentences passed upon them during the above-mentioned period, with the name of convicts, dates of conviction, crime of which committed, sentences passed, by whom sentenced, sentences commuted, and to what.

3. Showing all persons in Canada and each province, convicted during the above-mentioned period, of murder or manslaughter, whose sentences have been mitigated, or who have received a free pardon, together with a statement of the offences of which they were severally convicted, with the name of convicts, dates of conviction, nature of offence, sentences and extent of mitigation of sentences and dates.

4. All instances, during the above-mentioned period, in which appeal has been made on behalf of the persons convicted of capital offences, to His Excellency the Governor in Council, for the exercise of the Royal prerogative of pardon, or mitigation of sentences, with the name of convicts, dates of conviction and place, crime of which committed, sentences, dates of appeal, and the result.

Mr. DOHERTY: Does the hon. member intend to speak in support of his motion, because I would like to say a word about it?

Mr. BICKERDIKE: I do not wish to discuss it at all. I presume there can be no objection to furnishing the information asked for.

Mr. DOHERTY: I would like to point out to the hon. member some objections, of which I think he will recognize the force, with regard to the information for which he asks. I may say also that I think it is now two years ago since the hon. member for Laval (Mr. C. A. Wilson) made a very similar motion and, after some conference with him, we brought down a return giving, what he considered to be satisfactory and sufficient information for his purpose. I would point out to my hon. friend that he is asking us now to revive the history of every unfortunate person who may, at any time, have been convicted of a crime of this kind and sentenced to capital punishment. In fact, I think it covers even other sentences, and asks for all the details, the nature of the crime, etc. Well, any one whose sentence has been commuted, and who has served his sentence, or any one who has had a pardon granted to him, has purged his offence, and I cannot see what interest the hon. member can have in having all these names put upon a return and spread

before the public again. There are not only the people who may themselves still be alive, but there are the relatives of those unfortunate people. If the hon. gentleman wants to know the number of people who were so sentenced and what happened and how each sentence was disposed of, I would be quite prepared to give that so far as it may not have been covered, although I believe it was covered by the return on the motion of the hon. member for Laval a year or two ago. I think the hon. member for Laval will remember the circumstances. I believe that a return was brought down which was satisfactory to him at that time, although his original motion asked pretty much for the details asked for here. The hon. member for St. Lawrence will realize at all events the force of the objection to our re-editing now, practically for publication, the history of the misfortunes of all the people referred to in his motion. If my hon. friend would so modify his resolution as to make it a matter of statistics, because it would not seem to me to be a matter of importance that we should know the particular individuals, it would be better, and, if on verification it was found not to be covered by the motion made by the hon. member for Laval, I would have no objection in letting it pass.

Mr. BICKERDIKE: That would be quite satisfactory to me, because I do not wish to go into any details of family troubles. My object was to know exactly how we stand on this question, because I think we have not been hanging as many people as we did in years gone by. If that is correct, I want to know the reason for it, and I think I could get the information from the Minister of Justice. He has stated just what information I want.

Mr. DOHERTY: I shall be very glad to consent to such a return as will cover that.

Motion dropped.

CANADIAN EXPEDITIONARY FORCE.

Mr. A. K. MACLEAN (Halifax) moved:

For a return showing the date when each Regiment, C.E.F., was authorized since August, 1914; when mobilization was commenced, when mobilization was completed in each case, and when each Regiment sailed for overseas.

Sir ROBERT BORDEN: I would like to consult the Chief of General Staff before consenting to the passage of this motion. If my hon. friend will let it stand, I think that any information that can be brought down can be brought down without a formal motion.

Motion stands.

ABOLITION OF CAPITAL PUNISHMENT BILL.

Mr. ROBERT BICKERDIKE (Montreal, St. Lawrence) moved the second reading of Bill No. 2, to amend the Criminal Code. He said: At this very late hour, I will endeavour to be as brief as possible. I am afraid that I have not that sympathy of the Minister of Justice that I had hoped for, and I think that, if I had introduced a Bill having for its purpose the saving of the lives of horses or dogs or even hogs, I might have received more sympathy from some of my hon. friends than I am getting in connection with this Bill which is for the purpose of saving human lives that are not considered very valuable at the present time. There is one feature that I think I did not bring to the attention of the Minister of Justice on the last occasion on which I spoke, and that was this:

There are a number of murderers to-day walking the streets of Montreal and of other cities that should be in the penitentiary, and would have been in the penitentiary if my amendment had been accepted when I introduced it in this House a few years ago. There is no question in my mind—and I think this will appeal to the legal fraternity especially—that a jury will not convict nowadays with the scaffold staring them in the face, unless they believe beyond the shadow of a doubt that the person accused is guilty. I do not wish to be unfair to the Minister of Justice; he certainly has been very fair to me on some occasions. I think he is perfectly sincere. I believe he looks on hanging as a kind of holy sacrament. For I have known the man so long, and know him to be sincere in nearly everything he has undertaken; but I do not think he would be happy unless he hanged a few men every year. That reminds me of a story I read the other day. A sailor was cast away in the South Pacific. He escaped from the wreck alone in an open boat and drifted along. In the morning he found his little boat surrounded by sharks, but he beat them off and succeeded in landing on an island. This island was populated entirely by blacks. He did not understand their language but supposed they were cannibals, and was not sure that it would not have been as well for him

to have furnished a breakfast for the sharks in the morning as to be gobbled by the blacks in the afternoon. But he found that the people were not cannibals. They treated him fairly; they took him to the interior of the island, and there an execution was taking place. When he looked up and saw what was going on, he exclaimed: "Thank God, I have been cast ashore in a Christian land." He looked upon hanging as a sacrament.

I take it to be the duty of this House to deal with all matters affecting the good of the citizens of this country, especially so when the question is not a political one. It is the duty of this House to deal with fundamental questions; and I know of nothing more fundamental than human life. And I know nothing more wicked or brutal than to take life unnecessarily, even when it is done by the state. No matter how much some members may differ with me on this subject, I think I am safe in saying that every member must contemplate with abhorrence punishment by death—I think even the Minister of Justice will agree with me there. The question is, whether the abolition of capital punishment would result in benefit to the country, or whether the retention of the death penalty offers greater security to society. Capital punishment has been abolished in the conscience of the people of Canada; it has been abolished except for the very poor man who cannot procure the necessary legal talent to plead for them. As things work out in practice, we can only convict a few out of the number of murderers, and of those that are condemned, only a small percentage are executed; and these, I regret to say again, are the poor and unfortunate, who have no friends, no pull, political or otherwise, and no money to employ legal talent to defend them. It is a well-known fact that occasionally an innocent man has been hanged—that was admitted by the Minister of Justice on the last occasion when we discussed this matter. I think I am safe in saying that capital punishment is in flagrant contravention of the teachings of our Lord and Master, a usurpation of power that no customs can justify; a rebellious defiance of the good Master who came upon this earth to teach mercy, truth and forgiveness.

There was a time when every lord of any account in England had criminal jurisdiction over the people on his estate, and as evidence of his power the gibbet was erected for the hanging of the men and the pond dug alongside for the drowning of the women, and the whole countryside was decorated with the rotting bodies of the unfortunate peasantry. During the period of the Hanovarian kings, deep distress came which fell with awful severity upon poor folk. A man, if he was a man at all, could steal to keep his loved ones from starving, and the so-called wise ones of that day knew of no way to cope with the evils of the time but to increase the number of offences for which capital punishment was decreed. It grew so bad that there were not less than 200 offences for which people might be hanged. One woman was hanged who tried to steal a piece of flannel in which to wrap her baby, born after the father had been seized by the press-gang—for conscription was in force at that time. The man was seized, dragged away from his home, and the baby was born after he had been taken to fight the battles of England on board a man-of-war. The poor woman undertook to steal a piece of flannel to make a covering for her baby; and she was tried, convicted and hanged. They are still hanging children in England in 1914, they hanged a school boy of eighteen years of age. After the Gordon riots children were hanged; and in 1830, at the time of the agrarian riots, no less than three hundred prisoners were sentenced to capital punishment. A relative of a friend of mine saw seven men pass her house on their way to be hanged for the stealing of one sheep—the lives of seven men for the life of one sheep. The state of the law seems to me so awful that I cannot understand how it can remain for a single day. The life work of a man like Samuel Romilly was unable to effect a change, but that change has been brought about and the hanging of men for stealing has become as obsolete as the thumbscrew, the boot and other instruments of torture. The only survival we have of these cruel punishments is hanging for murder, rape, and high treason—cruel relics of a cruel age. This is the skeleton of the former two hundred crimes, for which the penalty was hanging—and the Minister of Justice must hug that skeleton. Lord Brougham, we are told, "took the devil out of the indictment"; but he did not take the devil out of the criminal law. What justification can there be for the continuation of this brutal punishment, which brutalizes the public as well as the officials who have to carry it out?—brutalizes the public, as was recognized by the fact that

public executions were abolished, and so brutalizing upon officials that the man who acts as public hangman becomes a public outcast. No doubt the House will remember the conversion of Radcliffe, the hangman, which was published in the Maritime Baptist of 9th October, 1912. Criminologists all agree that the certainty, and not the severity, of the punishment is the deterrent of crime. Jurists to-day hesitate to convict; some Ministers of Justice hesitate to recommend that the death sentence be carried out; some Governors in Council to-day hesitate to sanction hanging. Evidence from countries where capital punishment has been abolished shows that murders have decreased, and not increased, as a result. Punishment, I claim, should be reformatory and not vindictive. And how can a man be reformed when he is hurried into eternity without time for repentance. We live to-day under the gentle rule of the Gospel, and I claim that according to that Gospel we have no license to have capital punishment.

Henry VIII of England sought to repress criminal tendencies by prescribing the death penalty for the most trivial offenses, such as theft and poaching, and by making a public spectacle of every execution inflicted in pursuance of law. During his reign of twenty years the death-cart bearing condemned men rumbled almost daily through the public streets to the gibbet, and the total number of executions reached the appalling figure of 72,000. Of this number not less than 70,000 were executed for larceny. Notwithstanding the severity and the publicity of the penalties applied, property rights were never as insecure in England as they were during the reign of Henry VIII, while other crimes flourished proportionately. Instances are recorded, moreover, where many people, who viewed these executions conducted so liberally by Enggland's most bloodthirsty King, were later convicted of capital crimes, notwithstanding their opportunity to witness daily the infliction of the most severe punishment upon other offenders. In fact, the entire abandonment in recent years of public executions in this country, as in others, must be attributed directly to the realization upon the part of the people that applications of the death penalty in city squares, or court house yards, have had the opposite effect from that which they were intended to produce.

During last session, when this question was being discussed, I drew attention to the case of a man who had been hanged in British Columbia for the shooting of a policeman whom he did not shoot. I claim that capital punishment and the Christian religion can no longer march shoulder to shoulder. We have come to the parting of the ways; the death penalty and Christianity can no longer go hand in hand. The hon. Minister of Justice, on the occasion to which I refer, claimed that it was the law of the land; that the man was found in bad company, and, according to the law, was equally liable as the man who did the shooting. The right hon. leader of the Opposition concurred in this view. When two such eminent jurists agree on a question of law, I would not dare to call it in question, but the fact remains that this man was hanged for killing a man that he did not kill. It may be the law, but if it is, it is a bad law, and should be immediately erased from our criminal code. I am sure, Sir, that the world is much better to-day owing to the fact that the law was not always in force. If it had been we would have been deprived of one of the greatest missionary preachers that the world ever possessed. Why, Sir, if such a law had been in force in the early days the great Apostle Paul himself would have been hanged for assisting at the murder of the martyr St. Stephen.

In the British Columbia case the Minister of Justice read the man's heart, searched his soul, pierced the secret chambers of his mind, and says that he went out with murder in his heart. He found the man bad, all bad, and ordered him hanged; and I wish to give the Minister of Justice credit that he is manly enough to take credit for his action in this case, and not only to take credit for it, but to make a boast for having done so. He is evidently proud of it. Nevertheless, this man's soul was ushered into eternity because he was poor. The Minister of Justice will agree with me that if that man had been wealthy he might not have been hanged.

Mr. DOHERTY: Most assuredly not. I am sure that the hon. member has no conception of the gravity of what he is saying. After stating that I did this, he says that it was done because the man was poor. I think that if the hon. gentleman will give the matter a moment's thought, he will surely change that statement.

Mr. BICKERDIKE: There is one thing that I am positive about: that men are being hanged in Canada to-day because they are poor, and for no other reason.

Mr. STEVENS: I happen to know the case to which the hon. gentleman refers. I may say that a lawyer made a trip to Ottawa, pleaded the appeal to the Supreme Court, and never received a dollar for it.

Mr. BICKERDIKE: That was because the man was poor.

Mr. STEVENS: Not at all. The expenses were more than $600 in this very case.

Mr. BICKERDIKE: Will the hon. gentleman tell me if he knows the case of a single wealthy man who was hanged in Canada?

Mr. STEVENS: Plenty of them.

Mr. BICKERDIKE: I challenge the hon. member or the Minister of Justice to give me the name of one wealthy man hanged in Canada during the last fifteen years.

Mr. DOHERTY: Will the hon. gentleman give me the name of one wealthy man convicted of murder and sentenced to be hanged, whose sentence was commuted?

Mr. BICKERDIKE: Yes, if the hon. gentleman wants it.

Mr. W. H. BENNETT: I can give the hon. gentleman an instance from the county of Simcoe. A man named Carruthers was hanged there; he was a well-to-do farmer. Two or three K.C.'s were employed to defend him; an enormous amount of money was spent in his defence.

Mr. BICKERDIKE: The minister challenged me to give one name; I mention the case of a man named Shortis, of Valleyfield.

Mr. DOHERTY: That was before my time.

Mr. BICKERDIKE: I am not blaming the hon. minister for this. I do not think he is a bit worse than his predecessors; perhaps he is not as bad as some of them. In regard to the case to which I was referring, most people at that time thought, and still are of the opinion, that this man's sentence ought to have been commuted to imprisonment for life. The Minister of Justice certainly would not have suffered any loss of dignity if he had done that. But he did not do so. He made doubly sure, and did what was done in some other countries fifty years ago—gave the prisoners the benefit of the doubt and hanged them both.

Capital punishment has been enforced among all nations from the earliest times. The agitation against it, which began in the eighteenth century and continued throughout the nineteenth, led to its abolition in many European countries and in several states of the United States. Michigan abolished capital punishment in 1846, Rhode Island in 1852; Wisconsin, 1853; Maine, 1887; Kansas, 1907; Minnesota, 1911; Philippine Islands, 1911; Washington, 1913; Oregon, 1914; North Dakota, 1915; Tennessee, 1915; South Dakota, 1915. The minister will see, therefore, that the states of the United States are gradually one after the other, abolishing capital punishment. Any country that retains the death penalty on its statute book in this Christian era has simply legislated the word "not" out of the commandments. Public bodies are at the present time passing resolutions all over this country demanding this reform. Bodies of organized labour are passing resolutions all over the Dominion asking that the death penalty in Canada be abolished. Within the last three weeks a gathering of several thousand people in Ottawa passed a resolution asking that capital punishment be abolished in Canada.

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And they are going further; they are teaching their children to sing the new song, they are hanging men in Canada because they are poor. I know of sheriffs in the province of Quebec who are so conscientious over this matter that, in case they should be called upon at any time in the absence of the regular hangman to perform the duties of executioner, they have their resignations written out and are ready to hand them in to the authorities rather than become legalized murderers.

A very prominent statesman in the New York Legislature on one occasion suggested that Canada might well adopt what he claimed to be their more modern and humane system of getting rid of their criminals by electrocution. Now, Sir, can any man imagine discussing a humane method of taking his fellow man's life? This statesman claimed that the State of New York had adopted electrocution as a result of the onward march of Christianity and civilization, but I pointed out that, after all is said, the final result is much the same. In the olden days, it was true, the State of New York burned their criminals at the stake until dead, and to-day they burn them in the chair until dead, and this is upheld by some of these eminent jurists to be the advancement of Christianity and civilization.

Now, in Canada for three years, 1911, 1912 and 1913, there were sixty-five death sen-

tences. Thirty-seven of these were commuted, and twenty-eight of the really poor unfortunate, unreturned prodigals were sent into eternity. It will readily be seen by the above figures that capital punishment has been abolished in Canada, excepting for the really poor. When the Minister of Justice turned his thumbs up for the 37 cases, why did he turn them down for the poor 28? I think the Minister of Justice would have been better satisfied with himself to-day if he had turned his thumbs up in every case, and granted mercy to the poor pleading mothers and children who begged for mercy. The simple fact is that capital punishment increases the number of murders because of the reluctance of the average citizen to impose an irrevocable sentence upon his fellow man. The responsibility is too great, and the fear of depriving an innocent man of his life is too strong for the average juryman, so he compromises. But under capital punishment there is really no compromise. Either the man accused is guilty and must go to the gallows, or he is innocent and must be allowed his liberty.

Until we can be absolutely certain that the man on trial for his life committed the crime, with which he is charged, there is more of the element of injustice in capital punishment than in its abolition. We are all influenced more or less by our impressions, mental and physical. The occasional story, in the newspapers, which relates the ghastly mistake of justice whereby an innocent man is made suffer the penalty of the guilty, is familiar to everybody. Every error on the part of those entrusted with the carrying out of the law or its administration has its effect psychologically. It is only a few months since the daily press featured the story of the Kingston convict who was released from prison instead of another victim who bore the same name. That incident is impressed on the minds of many who may one day be called to sit in a jury box and hear arguments why the man in the dock opposite them should not be taken out and hanged.

We must admit that in many cases justice is not infallible. Under the life sentence system for capital punishment the juryman realizes that the accused, even if convicted, is still in a position to demonstrate his innocence, if innocent he be. He may direct his campaign for vindication as long as hope holds out. If guilty, the sentence safeguards society, and upholds the majesty of the law as effectively, if not more so, than the infliction of the awful and repulsive penalty of capital punishment. Capital punishment is unjust to the criminal, as it affords him no opportunity of reform; it is unfair to his family; it disgraces them, and robs them of their only means of support. Capital punishment is irrevocable, and makes no allowance for varying degrees of guilt; it is wrong in principle, and does not protect society.

The chief reasons advanced by people who believe that the State should punish murder with murder, just as in olden times it was customary to burn alive a man convicted of incendiarism, may be grouped under four different heads. The first to be considered is the ancient theory of retribution, and, secondly, the argument that the example afforded by the execution of the murderer will deter others from similar crimes. The third reason offered is the necessity of protecting society from its vicious members, and the fourth argument, which is included only by sufferance, is the extirpation of all capital offenders as a class.

That was tried in England, as my hon. friend knows, but did not succeed. There would have been very few Englishmen left if every man who had stolen anything had been hanged.

When the women of Canada get their rights, as they surely will at an early date, and contribute to making the laws; when the mothers of Canada get the right to vote, there will be no more legalized killing, and very many less murders.

It has been conceded by some of the most eminent physicians that any man committing a murder has an unbalanced mind at the moment. At the moment, at least, he is temporarily insane. He may be enraged through a sense of being wronged, or through kindred emotions, and is in no mood to weigh the results of his acts, or to take account of punishments confronting him. It is sad to believe that much of the prejudice in favour of the gallows may be traced to three discreditable sources: First, the spirit of vengeance, which surely does not properly belong to man; secondly, unworthy timidity, as if a powerful civilized community would be in peril, if life were not sometimes taken by the Government; and, thirdly, blind obedience to the traditions of another age. But rack, thumb screw, wheel, iron crown, bed of steel, and every instrument of barbarous torture, now rejected with horror, were once upheld by the same spirit of vengeance, the same

timidity and the same tradition of another age.

Capital punishment, though sanctioned by the letter of the old biblical law, is contrary to its interpretation in the light of Christianity.

During the debate on this question at a previous session, one honourable gentleman quoted from the Levitical law: "An eye for an eye, and a tooth for a tooth." But I honestly believe that that honourable gentleman will admit now that this law was abrogated nearly two thousand years ago. The Pharisees of that day taunted the Lord for not approving of that law, and also quoted the passage to back up their demands: "An eye for an eye, and a tooth for a tooth." But the answer came clear and sound: "Ye say an eye for an eye and a tooth for a tooth, but I say unto you, forgive." We are told to forgive our enemies as we hope to be forgiven. We hang a man at eight o'clock in the morning. That is how we forgive those who trespass against us; strangling a few of them every year; hanging them by the neck until they are dead, and sending their souls into eternity. Then we pray every afternoon in this House at three o'clock to the Father of Mercy to forgive us our sins as we forgive them who sin against us. Just think of it, Mr. Speaker, killing a man at eight o'clock in the morning, sending his soul into eternity, then in the afternoon at three o'clock praying to our Father in heaven to forgive us as we forgive. Sir, I shudder at times to think of what would happen quite a number of us in this House, and myself included, if the Lord would take us at our word.

Quite a number of the honourable members of this House undertook to criticise my amendment, but failed to find any good, sound, legitimate argument in favour of the retention of the death penalty, and they all with one accord began to make excuses. The hon. Minister of Trade and Commerce (Sir George Foster) probably introduced the most valid excuse that was made during the discussion, but after all, he simply said that he was not quite sure whether Canada was ready for this important change at the present time. Well, I am sure that it must now be quite clear to the minister's mind that the time has arrived when capital punishment in Canada must be abolished, and I am sure that no man realizes better than he does that capital punishment is based on revenge, it is dangerous to society, brutalizes human nature, and is not in accord with the modern theory of penology. Capital punishment is

the leprous outcroppings of the dark ages, and while I would not undertake to reply to that eloquent speech delivered by the Minister of Trade and Commerce, I would simply like to place opposite his remarks a quotation from the speech on this question delivered by the late Right Hon. John Bright.

The Right Hon. John Bright, illustrious English statesman and author, who lived and died in the 19th century, gave his valuation of death as a penalty during one of the last speeches he delivered from his place in the British House of Commons, in the following words:

> The real security for human life is found in a reverence for it. If the law regarded it as inviolable, then the people would begin also to so regard it. A deep reverence for human life is worth more than a thousand executions in the prevention of murder, and is, in fact, the great security for human life.
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> The law of capital punishment, while pretending to support this reverence, does, in fact, tend to destroy it. If the death penalty is of any force in any case to deter from crime, it is of much more force in lessening our chief security against it, for it proclaims the fact that kings, parliaments, judges, juries and Ministers of Justice may determine when and how men may be put to death by violence, and familiarity with this idea cannot strengthen the reverence for human life. To put men to death for crimes, civil or political, is to give proof of weakness rather than strength, and of barbarism rather than Christian civilization.

So long as the state continues to kill its enemies, individuals are going to continue to kill theirs. In other words, by retention of the death penalty, the state sets a precedent for the commission of the very crime which it is trying to extinguish. Far from touching the sanctity of human life by its own conduct, organized government in prescribing the death penalty for certain crimes, declines to uphold the sacredness of individual existence.

Several hon. members delivered very eloquent speeches against my amendment, but all with one accord began to make excuses, and while I find no fault with the criticisms, none of the hon. gentlemen undertook to call down fire from heaven to burn up my Bill, root and branch. There was considerable eloquence against my amendment, but the speeches were entirely devoid of facts or argument.

The hon. member for Frontenac (Mr. Edwards) like all the other members who opposed my amendment, began by making excuses, and claimed that it would be more humane to hang a man than to send him to the Kingston penitentiary. The hon

member was no doubt in perfect good faith when he made that statement, but he must surely realize that if Kingston penitentiary is in such very poor condition as he represented it to be, and I believe his statement was correct, then Kingston penitentiary should be remodelled, so that that deplorable condition should no longer be allowed to exist.

The hon. member for Kingston (Mr. Nickle) also made a fairly good excuse for retaining capital punishment. He said he stood for capital punishment because England always stood for it, a very noble, patriotic and loyal sentiment, and while I wish to compliment the hon. member on his loyalty to the home land, he will surely agree with me that the time has come when this young nation should institute reforms suitable for our own people and our own land.

Capital punishment ranked high among the old barbarities, has been dragged through the centuries, and until now it still remains with us in Canada, and puts our civilization and Christianity to shame. To impose the death penalty is an inhumanity of the first magnitude, and to write the scaffold on to the penal code of Canada is to put on our statute books the black sign of revenge. It is not the age of civilization or christianity that has come into its own. It is the shameful record of the doctrine of retaliation. There is no process that can transform the taking of human life from wrong to right simply because it is done in the name of the State. Every time the State takes the life of a human being, every time the State hangs a man, it dips its finger in human blood, to write the word "not" out of the Ten Commandments. Capital punishment lessens the respect for human life, develops lawlessness in the criminally inclined, and in individuals of low mentality.

The hon. the Minister of Justice occupied some two hours in this House at a previous session when this question was being discussed, trying to find excuses, but was unable to introduce one sound argument in favour of his law as it stands to-day. The only argument, if it could be called an argument, in favour of his contention was, that he retained the death penalty on the statute books of Canada, and hanged men, because our forefathers did the same. But surely, if he has nothing else to back up his arguments than this, then he should burn the criminals at the stake as our forefathers did; he should torture them with rack and thumb-screw, and use all the ancient modes of torture simply because our forefathers did. That, surely is a very poor argument in the twentieth century; but he finally clinched all his excuses by making a statement for which he did not produce the proof, and that was, that he had divine sanction for hanging our poor criminals, and sending their souls into eternity.

I know the minister meant that or he would not have said so. But he did not produce the proof and I challenge him to do so. The minister has no such divine sanction, he has no mandate from Divinity to hang a man in this country. If he has such a mandate I think it should be placed on the table of this House so that members on each side might examine it, so that it may be incorporated in the archives of this country and so that generations yet unborn may realize that in 1916 the Borden Government possessed a Minister of Justice with a divine mandate for hanging a man. I would like to say with all due respect to the Minister of Justice that his extravagant utterances on this subject could only have been inspired by prejudice.

The minister says: for instance, take the case of self defence. Now, conceiving a man has the right under natural instinct and statutory laws to kill another in self defence, can any man establish self defence by shooting another who was known to be as helpless as if hand-cuffed with his hands behind his back? Then it is no better in principle for the state to do this than it is for a citizen. Society has no more right to trifle with the most sacred work of God than the individual has. The minister sends a young man hand-cuffed and guarded by the police, from a modern penitentiary of cement, granite, steel and armour plate, takes him out upon the gallows and hangs him until he is dead, for self defence. To kill a man, overpowered and harmless, is not an act of self defence for either a citizen or the state, but is an act of unrestrained power directed by revenge rather than reason.

What self defence is there in that: seven and a half million people against one poor unfortunate fellow locked up in a penitentiary? I should like very much to touch the heart of the Minister of Justice. I know it is difficult. I mentioned a case last session, and as I think he did not grasp it, I submit again that where the equities are equal, the element of mercy should hold the balance of power in deciding this question,—the awful suffering and remorse of the family of the victim of a homicide. Now, I agree that it is hard on the family of the deceased, and my sympathy goes out

to them. Whether his death was the result of an assassination or a justifiable homicide it is all the same to them. But, for that reason, would you have two widows, two sets of orphans, and two sorrowing parents? Why, the family of the prisoner are just as innocent of an offence as the family of the deceased, and are just as much entitled to compassion and sympathy. For example, a man commits murder. He probably got drunk, or was by environment made a criminal. He has a good wife and also children; a good mother and father, and a large number of relatives, all innocent people, and profoundly grieved that the offense was committed. The accused is tried, convicted, and sentenced to be hanged. The very thoughts of taking the life of the husband, father, brother and son breaks a multitude of hearts. The time has healed the wounds that grief for the victim rent, but as the days roll by and the time approaches for the execution of the prisoner, the heart of the mother and father all but breaks; the affectionate and tender cord of love that stretches from the altar to the scaffold is crushed but not broken, and the heart of the wife is burned to its very socket. She goes to and from the awful death cell. Little innocent hearts of children are crushed like the tender blades of grass beneath the angry heels of cannon on the German battlefield, yet they are all innocent. The brother and sister suffer for his sins, and see his ghost-like form in their dreams of repose. As the day draws near, the father and mother with tottering footsteps visit the death cell, and their minds wander back to the time when a little boy said his prayers at his mother's knee, and they ask God why they have this affliction to bear. The wife, children, relatives and friends all bid him good-bye and leave with breaking hearts, bitterly thinking of tomorrow. With heart-breaking despair, the mother prays God to spare her son, and as the time flies by the height of Heaven could not measure her sorrow. The father's hair turns gray over night, and the very souls are all scarred and forever seared over by the thought of the vengeance visited on their unfortunate relative, son and husband and father. The parents are hurried to their graves by broken hearts; the wife tries to forget, but cannot forgive; and the hearts of the children, relatives and friends are hardened by the harrowing example of killing by the State. Two families are in mourning, and the prisoner's family crushed and heart-broken by a protracted suspense, and that amounts to cruelty to the innocents. Then why make two families instead of one desolate? Then, suppose he was innocent? The State cannot retract what it has done. If life imprisonment would serve the same purpose, would you not prefer it to the death penalty?

I have asked the Minister of Justice to allow this Bill to be referred to a committee. I claim that if I could make good before a committee the statements I have made before the Minister of Justice in this House, this Government would be obliged to abolish capital punishment. If I cannot make good my statements I should be obliged to resign my seat in this House. But every statement I have made I can prove. Now, I appeal to the House to allow this Bill to be referred to a special committee, for I am quite convinced that a change in the law is necessary. I do not intend to say any more on that question.

I can quite realize how difficult it is to succeed in bringing about such a very important reform as I have introduced into this House, especially in these degenerate days, when principles have become subservient to politics; these dark and anxious days when men are rushing to join the Get-Rich-Quick procession; when many are making colossal fortunes out of a situation created by this unfortunate, cruel war.

These are days, Mr. Speaker, when we ask men to raise themselves above any political squabbling, men who will neither bow to capital, nor to-day to aristocracy.

> God give us men a time like this demands.
> Great hearts, strong minds, true faith and willing hands;
> Men whom the lust of power cannot kill:
> Men whom the spoils of office cannot buy;
> Men who possess a conscience and a will;
> Men who have honour; men who will not lie.
> For while this country with our thumbworn creeds,
> Our great professions and our little deeds,
> Wrangle in strife, lo, freedom weeps,
> Graft rules our land while justice sleeps.

Mr. STEVENS: As the hour is late, I move the adjournment of the debate.

Mr. GRAHAM: I presume that means sending this Bill to a place where it will not be revived this session. I have pretty strong convictions on this measure myself, and if the motion means shelving the debate for the rest of the session I will join with the hon. member for Montreal (Mr. Bickerdike) in objecting to that being done.

I should like to see the Government take some stand on it.

Mr. STEVENS: I did not make the motion with any such intention. I think this measure is a vastly important one, but at this hour of the night it is certainly impossible to deal with it in an intelligent and proper manner. I am entirely open to conviction on this subject, but I must confess that I have not been convinced by the arguments of the hon. member. Considering the lateness of the hour, I think my motion to adjourn is quite reasonable. Furthermore—

Mr. SPEAKER: I would remind the hon. member that his motion is not debatable.

Mr. GRAHAM: We could easily dispose of this matter if the Prime Minister would allow us another opportunity for debating it.

Sir ROBERT BORDEN: I am willing to remain here if hon. members wish to debate this subject further, but I cannot promise any further opportunity. A very large portion of the day has been taken up by a long debate of a matter not of general interest. I said then that we should have to sit late to-night and finish some business. If my hon. friend will withdraw his motion the debate can go on.

Mr. BICKERDIKE: I think the Prime Minister has forgotten the agreement he made when I brought this matter up on the day of the fire. I think he suggested that it should be left over until the Minister of Justice came back to Ottawa. I agreed to that on condition that opportunity would be given to discuss the question and that it would not lose its right of way, and I hope that the Prime Minister will agree to let us go on with this discussion on another day.

Sir ROBERT BORDEN: I really cannot promise that, but I am perfectly ready to debate the question now and to stay as long as may be necessary for that purpose. There was one previous occasion when my hon. friend had the right to bring on this debate.

Mr. BICKERDIKE: No.

Sir ROBERT BORDEN: Yes, there was one evening.

Mr. BICKERDIKE: No. I beg the hon. Premier's pardon. I waited until the Minister of Justice came back. I wrote to him stating the arrangement we had come to, and he neglected, or forgot, or mislaid that letter and did not let me know anything about it for three weeks afterwards. During those three weeks the Bill had been called twice.

Mr. DOHERTY: The hon. gentleman will also remember that in that letter of his he mentioned two days upon which he might have gone on and discussed this matter, and he stated that he did not want to go on on those two days. There were at least those two occasions for his convenience and not for mine.

Mr. BICKERDIKE: Yes, there were those two days, but the minister was not here. If the minister will not carry out in good faith what I supposed was the arrangement, then we will go on to-night.

Mr. STEVENS: The hon. member proposes to move that this matter go before a special committee. As such a motion would require notice, I think this debate might be adjourned to give him an opportunity to make his motion.

Sir ROBERT BORDEN: I think we had better go on.

Mr. H. H. STEVENS (Vancouver): Mr. Speaker, I just wish to say a very few words on this subject. The hon. gentleman has to-night submitted two arguments which appeal to me slightly in connection with this very important reform. One is that juries are prone to acquit persons who might be guilty of murder when they are not positive that the accused are guilty, because they know that, if they do find them guilty, they will, in all probability, send them to the gallows and they may not wish to take that responsibility, whereas, if the sentence were merely a jail sentence, they might bring in a verdict of guilty. That is an argument worthy of consideration and it is really the only strong argument advanced by the hon. gentleman.

He also mentioned a case, known as the famous Clark-Davis case, which happened in Vancouver and for which he took the Minister of Justice severely to task. Now, I do not think that the hon. gentleman put a very fair construction upon the action of the Department of Justice in considering that appeal for clemency. The facts are briefly these. Clark and Davis were two criminals who deliberately planned to commit a series of very serious burglaries. They equipped themselves with the usual paraphernalia such as revolvers and the instruments of their craft. They were disturbed in the act of their burglary by a policeman; got out of the building, ran across a vacant lot, and in the discharge of his duty the policeman followed them and was shot by these men. Each one said

that the other one shot the policeman, but of course it is held in law that, where two parties go out to commit a crime which has within its view the doing of violence to the persons of others, and where in the act murder is committed, both parties are equally guilty of the crime, and I do not see what quarrel there can be with an attitude of that kind. In the case of Clark and Davis, it was established beyond any possible doubt that they went out deliberately knowing what they were going to do.

Mr. BICKERDIKE: No.

Mr. STEVENS: Yes.

Mr. BICKERDIKE: Did they know they were going to commit murder?

Mr. STEVENS: Both of them were prepared to commit murder in the carrying out of their design. That is clearly established, and as to the argument that those men were hanged because they were poor, there is absolutely no ground for it. They had the best counsel in Vancouver to defend them, and, in addition to that, their counsel carried their case to the Supreme Court of Canada, one counsel coming here and pleading the case in the most able manner before the Supreme Court.

Mr. C. A. WILSON: On a question of law, a reserved case, not on a question of fact.

Mr. STEVENS: Undoubtedly, but the point raised by my hon. friend was that they had been denied those advantages of counsel which the wealthy have at their disposal. The inference was that, because the men were poor, therefore they were sent to the gallows. Not only do I not agree with my hon. friend, but I think it is a very unfair imputation to lay at the door of the Minister of Justice. Those men had every possible opportunity of having their case reviewed later by the Department of Justice and every point in their favour was taken into consideration.

To follow my hon. friend through all his carefully prepared and written address on this subject would be impossible, especially at this late hour, and I confess that, with some more light on this subject, I might be inclined to support his motion; but so far as I understand this proposed reform at the present time, I cannot see that there will be any great advance made by abolishing capital punishment in cases of murder.

There is also this other point to remember. There were thirty-seven cases in one or two or three years, I think, the hon. gentleman quoted, where the Department of Justice did commute the sentence to life imprisonment; and, as I understand the policy of the Minister of Justice and of the Government, wherever there is any reasonable doubt, or where any extenuating circumstances can be shown in the evidence after careful perusal of it, the sentence is commuted. It is not an uncommon thing, it is rather a common thing to commute a sentence, so that the law of capital punishment is not rigorously or unreasonably enforced. In view of that, I feel it would be unwise for this House at this time and without some more definite reasons and arguments than those advanced by my hon. friend from year to year, to pass this amendment.

Hon. GEORGE P. GRAHAM (South Renfrew): Mr. Speaker, the difficulty is not with the Minister of Justice, but with the law which the minister is compelled to put in operation. There is no situation in which any member of the Government is ever placed that is more trying than the one in which the Minister of Justice is placed in considering cases of capital punishment. For many years I have been opposed to capital punishment. I have had some occasion to study it, and I have read some cases, and, the more I read the more I become convinced that the taking of a man's life, no matter what the crime may be, does not deter the committing of the crime any more than would some other form of punishment.

All great reforms come slowly—I say this in encouragement of my hon. friend from St. Lawrence (Mr. Bickerdike). Even the great question which the hon. member for Vancouver (Mr. Stevens) brought up in this House the other day has made such rapid strides during the last ten years that we find the people of the country in a different frame of mind altogether from what they were in a few years ago. Other reforms that we might discuss also come along gradually. In the province of Ontario, when the question of having prison farms was first discussed arguments just as strong as one would care to listen to were adduced to show that they would have a bad tendency; that the sentence would be too mild; that the prisoners would not respect the privileges they would receive under those new conditions, and that, as a result, the punishment would be so mild that a greater number of crimes would be committed.

That has not worked out at all; and I believe that one of the greatest advances we have had in this country on the line of social and moral uplift is brought about by the more humane and generous way in which these men are treated. Their crimes, of course, are not of as deep a dye as murder is—that must be admitted but they are starting along the pathway of crime, and whether they shall be reformed and become better citizens, or go on to worse crimes depends largely, I believe, upon the way they are treated in the early stages of their criminal career. I just point to that as a reform which seems to me of great significance, and which was opposed very strongly and laughed at, at first. As a member of the Ontario Government—for a very short time, I admit—it was my duty to look into the question of removing the Central Prison from the city of Toronto and placing it somewhere outside. That whole thing has developed, and now we find men who are committed to prison for short terms—I believe that those committed to provincial institutions are sentenced for less than two years—are placed on prison farms and given a good deal of latitude; and I have yet to learn of any bad results from the adoption of that course. It is too late now for any extended remarks, but my point is that the condition of mankind is so different, even criminality is so different, in this age compared with what it was centuries ago, that if we are to obtain the same results, we must change our method of treatment. I believe that the statistics of those states in which capital punishment has been abolished will show that the crime of murder has not increased. It is contended, in fact, and I think with a good deal of accuracy, that murder has decreased. Still, that might be due to other causes, and it is sufficient for my argument if it has not increased, for it means that capital punishment has not proved a greater deterrent of crime than some milder forms of punishment. I believe that life imprisonment is as certain a deterrent as capital punishment, and it has the advantage pointed out by my hon. friend (Mr. Bickerdike) of leaving an opportunity of remedying a possible wrong. I am not prepared to admit that many legal wrongs are committed. I believe that many moral wrongs are committed, but in the vast majority of cases the alleged criminal has a fair trial, and suffers as he should, by statute. But there is something also that appeals to me more strongly, and that is that one object that we must all have in mind is to offer opportunities for the man, no matter how far we think he has fallen, to repent and turn his face towards good-citizenship. With capital punishment, we do not leave any opportunity for that. A man is given so many weeks or so many months, but he is absolutely precluded from the possibility of ever mingling again with his fellow men, and so one great incentive to a reformed life is taken away. The first great object, I submit, is the protection of society. But the second object should be the reform of the individual, and the improvement of society. By the carrying out of capital punishment, we preclude that to a large extent. I have been greatly impressed with the work of societies engaged in the work of reforming men who have not only been accused but convicted and sentenced. There are asociations who take hold of these men after they come out of the institutions and give them an opportunity to make their way back to good-citizenship as rapidly as possible—and all that, as I say, is precluded by capital punishment.

Of course, this is a big question, one upon which great differences of opinion exist. But the subject has been discussed and acted upon by so many states of the American Union and so many countries of the world that I think the time has come for us to refer it to a committee of able men for thorough investigation and report to Parliament. I am fully convinced that before many years we in this Parliament will be united as one man for a great reform along this line, going even as far as the abolition of capital punishment. I would like to see this referred to an able committee, as I have said, who should be given plenty of time to look into the working of the law in those countries in which the death penalty has been abolished, and then let them bring in their mature considerations and recommendations as to what should be done. It is a big question, with many sides, to it, and what we want is the enactment and execution of laws having for their object the best for the people of the entire country.

Hon. C. J. DOHERTY (Minister of Justice): Mr. Speaker, the subject is not a new one in this House; the hon. member for St. Lawrence (Mr. Bickerdike) introduced this measure in a previous session. At that time I had occasion to express at some length the views I entertained upon the proposed Bill. Though I have listened with attention to what has been said by that hon. gentleman and also by the hon. member for South Renfrew (Mr. Graham) I cannot say that the views I then expressed

have altered since, nor have I found in the argument put forward grounds for change of opinion. Under these circumstances, I trust it will not be considered a lack of respect if I do not repeat now the answer I then made to the argument that was advanced. So far as any one may be interested in that answer, it is available in Hansard. I cannot refrain from expressing regret that the hon. member for St. Lawrence should have thought it necessary to suggest that the relative wealth or poverty of a man convicted under the law of this country has even the slightest bearing on the exercise of clemency by the Crown. I regret that he should have said that. I quite understand that there was no particular personal reference to me, but a grave reflection was cast on all of the gentlemen who have occupied the position that I occupy as well as upon the members generally of succeeding Governments. It is to be borne in mind that the action of the Crown in capital cases is taken on the advice of the Cabinet; I do not know that it would be quite safe to say that the reflection of the hon. gentleman does not go to the representative of the Crown itself. I do think it is unfortunate that a gentleman whose words are, generally speaking, entitled to the weight which is rightly given to the words of the hon. member for St. Lawrence should have allowed himself, in his zeal to bring about what I am satisfied he believes to be a most important reform, to commit himself to so grave a statement as that—a statement which, I am quite satisfied could not be supported by him. I do not purpose adding anything further; I really felt that I ought to make some expression with regard to the position taken by the hon. gentleman in this respect. With regard to his argument generally, I adhere to the view that I have already expressed and, adhering to that view, I feel—and my colleagues agree with me—that the Government cannot accept the measure which is now proposed. It has been suggested that we should have a committee to study this question. It is a question that has had a good deal of careful study, not only by members of this House, but on different occasions by commissions and committees appointed by other bodies, and I think the material bearing on the question is fairly available to those who are interested in studying it. I doubt very much whether anything could be added to the material available by the constitution of a committee such as is suggested. Moreover, at the present time so many things

of immediate, pressing urgency call for the devotion of our best intelligence, our best care and our best study to them, that I think the suggestion that a committee should be appointed could very well be deferred until, perhaps, a more favourable period. I do not think that there is call at the present time, at all events, for the taking up of the question in the manner that is suggested.

Mr. BICKERDIKE: I think I have the right to ask for a committee. Committees have been appointed at other sessions for the consideration of subjects much less important than this. I do not think that it is fair to say that I cannot get a committee because I sit on this side of the House; I do not think that even the Prime Minister would want to treat me in that way. I was hoping that the Prime Minister and the Minister of Justice might have agreed to appoint a committee. I do not ask that I may appoint the committee; I ask that the Prime Minister do so. Under the circumstances as one of the oldest members of this House I claim that I have the right to have a committee, and I ask that a committee be appointed. I would move now, seconded by the Hon. George P. Graham:

That Bill No. 2 be now read the second time and referred to a special committee, with instructions to report at the earliest possible moment.

Mr. SPEAKER: Order. The motion before the House is that Bill No. 2, to amend the Criminal Code, be now read the second time. The motion just made by the member for St. Lawrence is out of order; the House will have first to decide on the question before it.

The House divided on the motion of Mr. Bickerdike.

YEAS:

Messrs.

Bickerdike, Carvell,
Graham, Macdonald—4.

NAYS:

Messrs.

Alguire, Papineau,
Bennett (Simcoe), Patenaude,
Blain, Proulx,
Blondin, Rhodes,
Boivin, Rogers,
Borden (Sir Robert), Seguin,
Davidson, Shepherd,
Doherty, Stewart (Lunenburg),
Fisher, Webster,
Gray, Wilson (Laval)—21.
Nicholson,

Motion negatived.

On motion of Sir Robert Borden the House adjourned at 1.20 a.m. Tuesday.

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SIXTH SESSION—TWELFTH PARLIAMENT, 1916.

Abbreviations.—1r., 2r., 3r.=first, second, or third reading. Amdt.=Amendment. Com.=Committee. Con.=Consideration. Div.=Division. M.=Motion. Ref.=Reference. Rep.=Report. Res.=Resolution. Sec.=Section.

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